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THE REDEVELOPMENT OF
DOWNTOWN SUNNYVALE, CALIFORNIA

YOU-WEN HSIEH

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The Redevelopment of Downtown Sunnyvale, California

A Planning Report

Presented to

The Faculty of the Department of
Urban and Regional Planning
San Jose State University

In Partial Fulfillment
of the Requirements for the Degree
Master of Urban Planning

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By

You-Wen Hsieh

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Approved by the Department of
Urban and Regional Planning

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I. INTRODUCTION

Over the past 50 years a major problem has attracted the attention of urban reform movements. This problem is the deteriorating condition of the urban center, especially the downtown central business district. Thus, the rallying cry has been "Save Our Cities" and it is heard all over the world on every continent. The nature, and some of the causes, of downtown deterioration have been identified. The focus now is upon the efforts of the public and private sectors to save the central core. There is still considerable debate concerning the best approach or method to use when change becomes inevitable, as it has almost everywhere. The major purpose of this study is to attempt to examine the redeveloping activities of a downtown retail district in a contemporary city—the City of Sunnyvale, California. The study is designed to provide a background perspective for discussions concerning how to improve the prospects for Central Business District development and to look at a few specific tactics ^{strategies} for achieving this goal. The City of Sunnyvale has been chosen because it represents a typical city undergoing revitalization. To be sure, Sunnyvale has several unique

features not found in every case, but it is not alone in its crisis.

Sunnyvale is an integral part of Santa Clara County, located near the heart of the county's urbanized area. The economic profile and outlook of Sunnyvale can best be understood in the overall context of Santa Clara County's urbanization experience. In the last 20 years, Santa Clara County has changed from one of the nation's wealthiest agricultural areas to one of the nation's most prosperous and rapidly growing areas in the field of technological manufacturing. This growth was a function mainly of the aerospace industries that emerged in the Bay Area after World War II—ordnance, computers, electronics, and instruments manufacturing—and the presence of Stanford University and other state ⁵private universities located in the county. Today, Sunnyvale, with a 1974 population of 105,200, is the second largest city in Santa Clara County. Sunnyvale is located ²near the urbanized center of the County, and is surrounded by the incorporated cities of Mountain View and Los Altos to the west, Cupertino to the south, Santa Clara to the east, and Alviso and portions of San Jose to the north. The City of San Francisco lies approximately 45 miles to the north of Sunnyvale.

Before we begin our examination of Sunnyvale's downtown redevelopment, let us take a short look at its history. Many of the dates of events during the early period of development in Sunnyvale are difficult to verify because they often depend upon the memory of people giving testimony of events that happened years before. The first family name associated with the territory that is now Sunnyvale was Mariano Castro, owner of the Pastoria De Las Borregas. This great land holding consisted of some two leagues (8,800 acres). The exact boundaries of the original grant involves some historical dispute, but the land stretched from Castro Station to Lawrence Station, some six miles, and included most of the Mountain View and Sunnyvale area. In 1850, Martin Murphy, Jr., came to the valley and purchased half of the Pastoria De Las Borregas and the land that was to become Sunnyvale passed from Castro's hands. After 1850, the name of Castro would be linked more with Mountain View than with Sunnyvale. Martin Murphy purchased about 4,800 acres of the Pastoria De Las Borregas land grant from Don Mariano Castro for about a dollar an acre. The ranch stretched from Mountain View to Lawrence Station Road and from the southern end of San Francisco Bay to El Camino Real. He selected a site for his home, from which he could view the bay, thus calling it "Bay View Ranch." After that he continued to

prosper and accumulate huge parcels of land. In 1860, it was thought that he had about 90,000 acres.¹

In this period, San Francisco and San Jose were the two *(not true)* principal cities in this area. In 1864, the Central Railroad, now the Southern Pacific, wanted to join the two cities with railroad lines. Martin Murphy, Jr., agreed to let the railroad build on his land. He then built the "Murphy Station" in what is now Sunnyvale, and the "Lawrence Station" in Santa Clara. For many years, what is today known as Sunnyvale was referred to as "Murphy" after the Martin Murphy, Jr., estate. Around 1880, after the influx of newcomers onto Murphy's land, the people came to refer to the area as "Encinal." Encinal is a Spanish word meaning "a place where the live oak grows." After the death of Mary Bulger Murphy in 1892 (the widow of Martin Murphy, Jr.), the estate was divided among the many heirs. General Patrick Murphy, the second son of Martin Murphy, Jr., was heir to the "Bay View Ranch," known later as the Murphy estate. He retained only seven acres of land as hard times made it necessary to sell off parts of the large estate. In 1898, a

¹ Harry McBrien, "Martin Murphy, Jr.," County Chronicles, Vol. IX (Cupertino, CA: De Anza College California History Center).

prominent realtor, W. E. Crossman, purchased 200 acres from Patrick Murphy for \$38,000. He sold the agricultural land and developed it into a town. The land was partitioned out to both new industries and housing developments.²

By 1900, the population had increased enough to warrant having one name given to the new community. Because an area near Oakland had a similar name, "Encina," and because Crossman wanted to avoid confusion when naming his new subdivision, as he looked across the bright clear valley, he said, "Let's call it Sunnyvale." Whatever the source might be, the people approved of "Sunnyvale," and that name was officially adopted on March 24, 1901. Today, however, the original settlement in the downtown area is still called the "Encina District."³

In the early days, Sunnyvale had more than 1,000 acres of rich land which made up one of the most fertile regions in the Santa Clara Valley. The environmental conditions created one of the greatest fruit growing regions in the

² Rockwell D. Hunt, California and Californians, Vol. II (San Francisco: The Lewis Publishing Co., 1962).

³ The Sunnyvale Story, "The Report to Citizens for Winter, 1973" (Sunnyvale, CA: The City of Sunnyvale, 1973), pp. 1-4.

valley. It attracted farsighted and enterprising men who could see the possibilities of profitable economic development. Following the 1906 San Francisco earthquake, several industrial companies such as the Joshua Hendy Iron Works (now Westinghouse), relocated their plants in Sunnyvale. After 1907, when all the new factories, such as Sunnyvale Cannery, Libby Cannery, and Joshua Hendy Iron Works were running to full capacity, many people were attracted to the area. The population increased greatly in 1908.⁴ In the following years, with the considerable need for labor in agriculture and industry, people were encouraged to come to Sunnyvale from other states as well as other countries. As more people poured into Sunnyvale, the city was officially incorporated as a township on December 12, 1912. At that time, the community had one store, a post office and 1,200 citizens.

In the following two decades, Sunnyvale remained a small rural town impervious to the outside world. Its population grew from 1,200 in 1912 to 4,373 in 1940. There was little change until well into the late 1950's. From the late 1940's to the present, the socio-economic base of the city

⁴ Sunnyvale Land Company, Sunnyvale (Sunnyvale, CA: The Blackcat Press, 1908), pp. 1-8.

changed as many institutions moved into the city. As the population increased, orchards gave way to new homes and manufacturing plants. Due to the rapid development after World War II, a new charter was drawn up and adopted in 1950, and Sunnyvale became a charter city. Although in the early 1950's, Sunnyvale still retained its rural atmosphere, there were rumblings of things to come. A few subdivisions were approved, business was growing at a healthy rate and a new economic boom was expected.

During the 1950's and 60's, the city of Sunnyvale developed into a major employment and residential center within the San Jose metropolitan area. Its population increased from 9,368 in 1949 to 95,408 in 1970. This represents a 12.1% annual compound rate of increase compared to an overall 6.7% for the county. Sunnyvale's share of total county population increased from 3.4% in 1950 to 8.9% in 1970. Median family income for Sunnyvale averaged \$13,078, at the time of the census, compared to \$12,456 for the county as a whole. In 1970, the Sunnyvale minority population, including persons of Spanish language or Spanish surname, was approximately 25%, and virtually equal to the percentage for the county as a whole. While Sunnyvale had the same proportion of minority population as Santa Clara, Sunnyvale's higher median family income in comparison to the county indicates that Sunnyvale had

a higher proportion of upper middle-income residents.⁵

Despite this rapid economic growth the central core of Sunnyvale has not prospered. This is partly due to the changing nature of the retail business which occurred in the Santa Clara Valley during this time. In earlier days the major retail facilities of Santa Clara County were concentrated in the central business districts of such cities as Palo Alto, San Jose, Los Gatos and Sunnyvale. This changed drastically when the regional shopping centers came to replace the central business district as the center of marketing activity. By early 1970, ten major regional shopping centers served Santa Clara County's sizable trade area. Among the ten regional centers, the ~~newly~~ built Eastridge Shopping Center in San Jose, with an area of slightly more than 1.5 million square feet, had a trade area extending at least as far west as Sunnyvale. Other regional centers also drew from the Sunnyvale trade area. These include Westgate, Valley Fair, Stevens Creek Mall, Mayfield Mall and San Antonio Shopping Center. Major freestanding stores such as the Emporium in Mountain View and Sears in Cupertino (Vallco

⁵ Larry Smith & Company, Inc., Retail Redevelopment Opportunities: A Review (San Francisco, California, 1974), pp. 11-24.

fashion Hub) also competed with Sunnyvale's central business district, as did such specialty centers as The Old Mill in Mountain View, and Town and Country in San Jose. Under these circumstances, the Sunnyvale downtown shopping area began to find itself dealing with very stiff competition. It did not come from inside the city, but from the regional shopping centers of nearby cities. Another factor which contributed in some part to Sunnyvale's commercial area deterioration was that of absentee ownership or recalcitrant land owners who were unwilling to spend money to upgrade or maintain their properties. This attracted marginal tenants, who were equally unable or unwilling to modernize or reasonably maintain both the exterior and interior of rented buildings. Absentee ownership took money out of the community, further weakening the business health of the area and furthering the economic blight.⁶

Now that we have an historical overview of Sunnyvale, we will examine how they dealt with the problems of a deteriorating central business district. This paper will examine the two major redevelopment projects undertaken by the city

⁶ Hart, Krivatsy, and Stubee, Sunnyvale Downtown Redevelopment Project (An Environment Impact Report) (San Francisco, CA, 1975), pp. 9-16.

since it first became aware of the problems caused by the changing social and economic conditions. Each underwent different redevelopment approaches and were dissimilar in character. In order to understand clearly, each redevelopment project will be discussed separately starting with the older, the "Encina Urban Renewal Project," and concluding with the "Central Core Redevelopment Project."

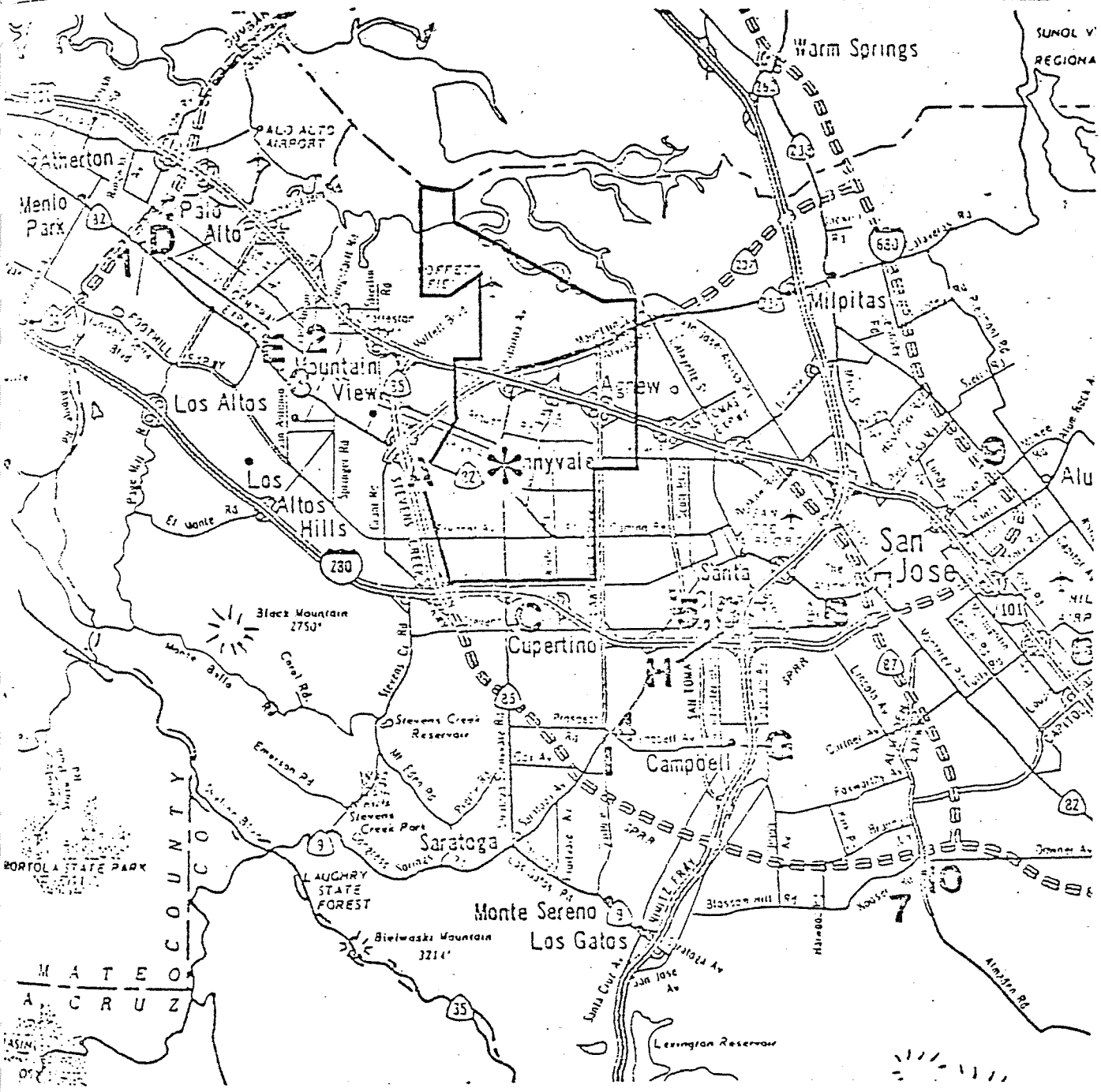
II. GENERAL DESCRIPTION OF STUDY AREA

Location

The study area is situated on the northwest corner of the "Encina District" (see Figure 2) which is one of the original settlement tracts of Sunnyvale. It is located approximately in the center of the city between the Bayshore Freeway and El Camino Real. The terrain of this area consists of flat, easily developable land with approximately a 1° slope. The study area is situated in a prime location on the northern portion of Sunnyvale's Central Business District. It is not only a portion of the Central Business District, but also the original city's historical business district. This area is bounded by Evelyn Avenue to the north, Sunnyvale Avenue to the east, Iowa Avenue to the south and Mathilda Avenue to the west. The entire area contains approximately 66.5 acres, and belongs to the 1970 Census Tract 5086 (see Figure 3).

Surrounding Area

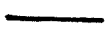
The areas surrounding the study area exhibit a mixture of urban and rural uses. Immediately to the north is the railroad station and along the Northern Pacific Railroad



REGIONAL MAP

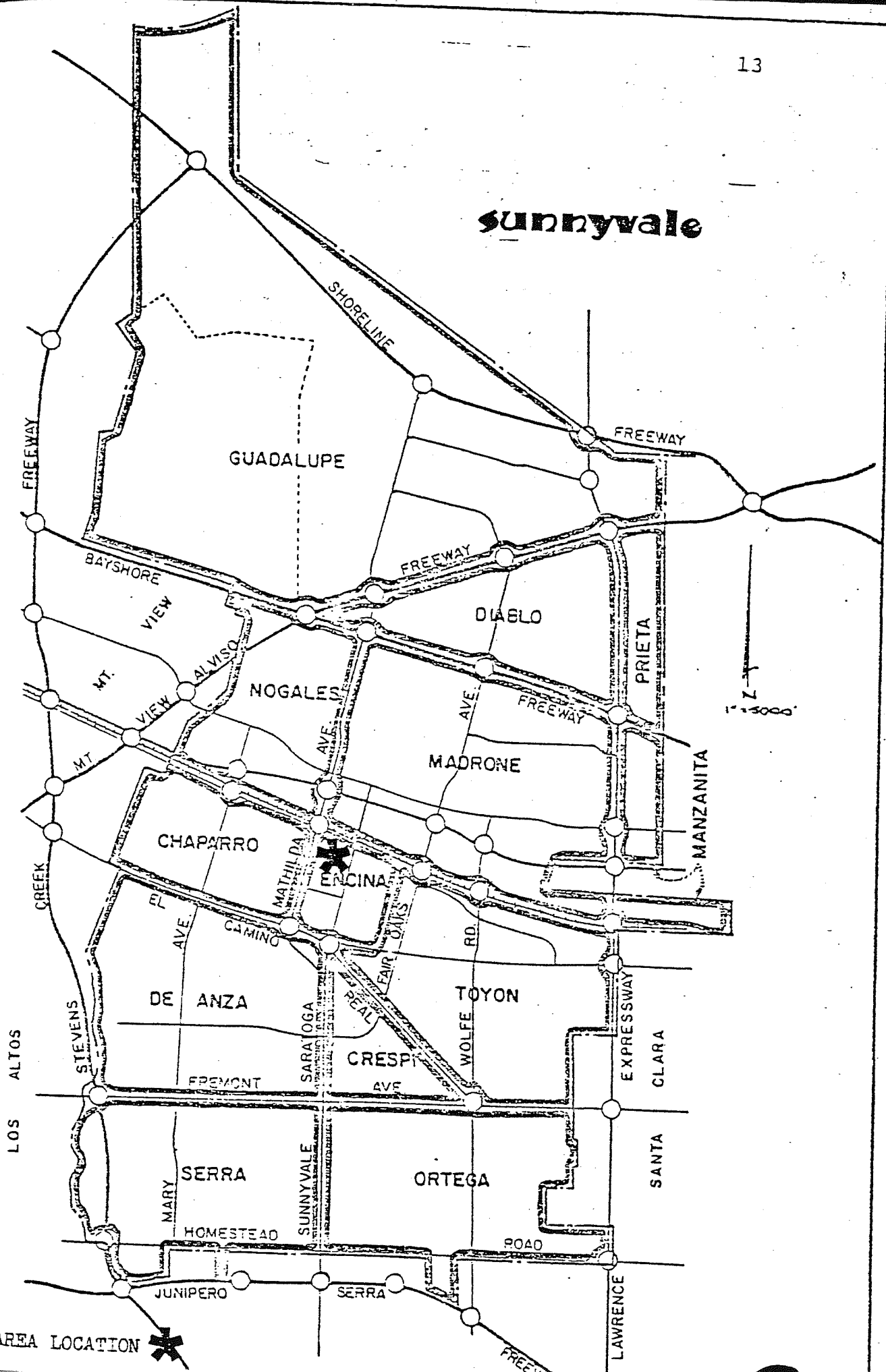


Project Location

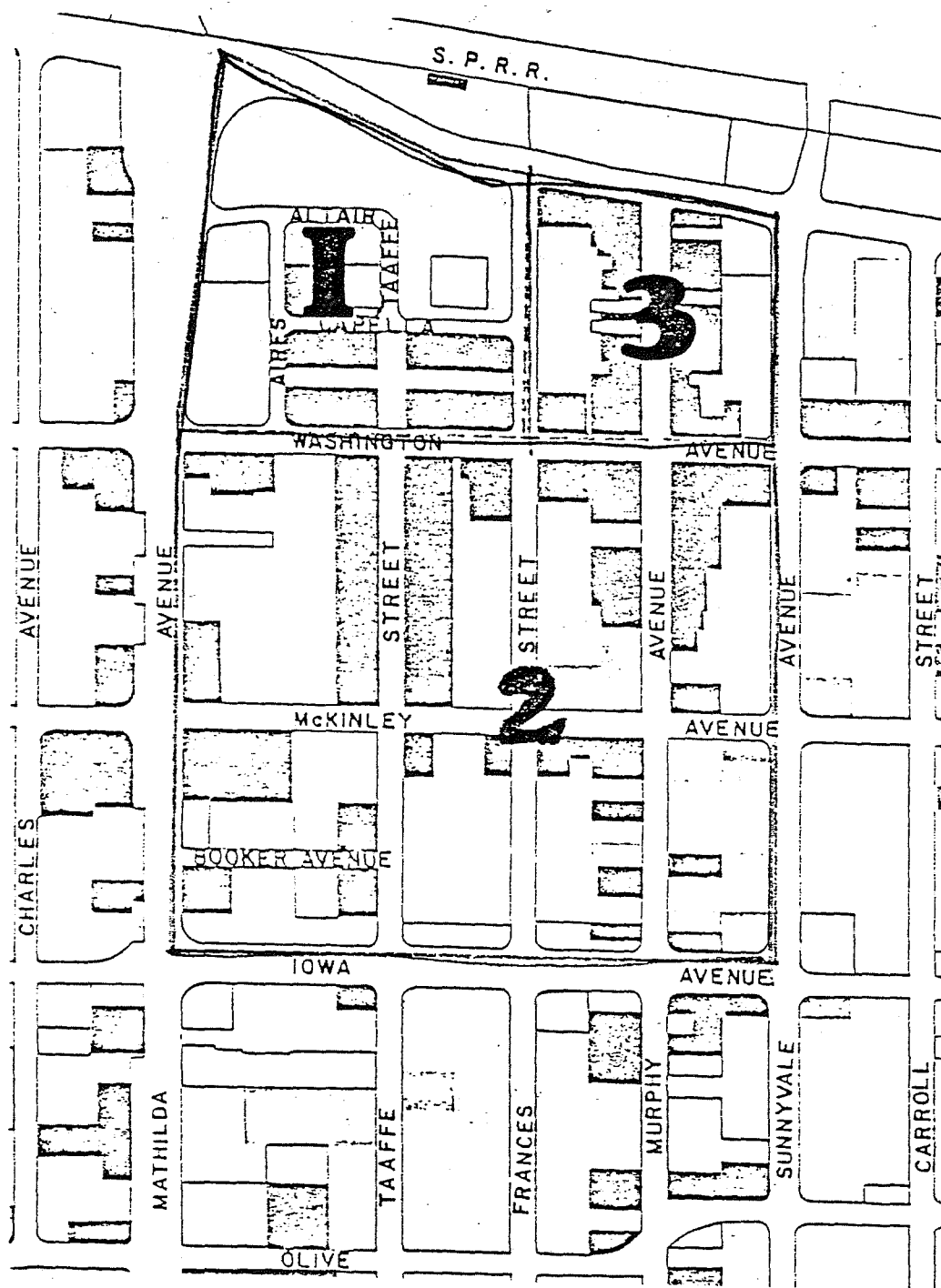


Sunnyvale City Boundary

sunnyvale



STUDY AREA LOCATION *



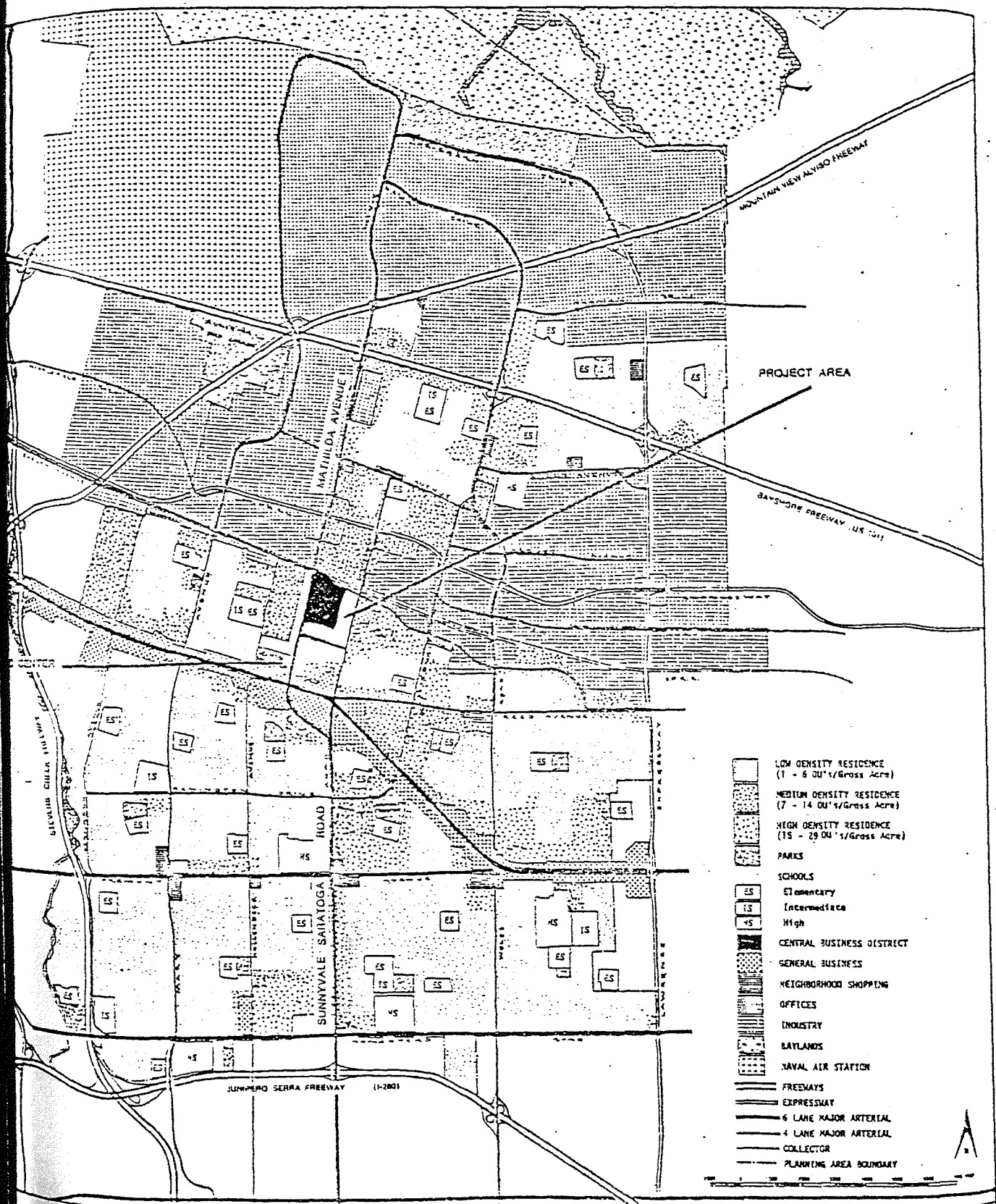
STUDY AREA BOUNDARY MAP
 ——— boundary Line

- Encina Urban Renewal Project Area ——— 1
- Central Core Redevelopment
- Towncent Redevelopment Project Area -- 2
- Block 100 Murphy Avenue ——— 3

route is an area devoted to industrial use. Included in this area are such major plants as Westinghouse, Libby, McNeil and Libby, and the National Can Corporation. Beyond this complex, and extending to the Bayshore Freeway, is found a mixture of residential and agricultural areas. Most of the agricultural land is zoned for future industrial use. Similarly, the areas to the east and south are devoted to various residential uses with limited commercial use interspersed throughout the area. To the west, on the west side of Mathilda Avenue are many office buildings. Beyond this, the area is predominantly single-family dwellings with limited multi-family developments (see Figure 4).

Access

The principal highways serving Sunnyvale and vicinity are Highway 101 (Bayshore Freeway) and Highway 280 (Junipero Serra Freeway), leading northwest to San Francisco and southeast to San Jose. Highway 101 also links the Bay Area with the Los Angeles metropolitan area via the San Joaquin Valley. Highway 17 (Nimitz Freeway), links Sunnyvale and the vicinity with major East Bay cities such as Hayward, Oakland, Berkeley and Richmond. While of lesser importance to interstate and long distance travel, Route 85, the Stevens Creek Freeway, and Route G2, the



LAND USE
OF
SUNNYVALE CITY

FIGURE

4

Lawrence Expressway, provide major north-south secondary arterial access and also link Highways 280 and 101. Route G6, the Central Expressway, bisects the northern portion of Sunnyvale and connects Routes G2 and 85. Altogether the Stevens Creek Freeway west, the Bayshore Freeway north, the Lawrence Expressway east, and the Junipero Serra Freeway south form a virtual boundary around the city of Sunnyvale as illustrated on the accompanying map (see Figure 5).

Zoning

Since the tremendous development of Sunnyvale began in the late forties, the majority of the study area was developed for commercial use. The first general plan of Sunnyvale was completed in 1950. After the general plan was adopted by the City Council on October 8, 1957, the study area was zoned C-3 (Regional Business District; see Figure 6). Then, in December of 1978, the Sunnyvale Planning Commission proposed a new zoning plan for downtown Sunnyvale. Under this new zoning regulation, the study area was reclassified from C-3 (Regional Business District) to C-3-PD (Regional Business-Planned Development District) to accommodate the new Towncenter and Town and Country Village as a major shopping area for Sunnyvale and neighboring cities. ✓

LEGEND

FREEWAYS

1. DAYSHORE
2. JUNIPERO SERIA
3. STEVENS CREEK - WEST VALLEY
4. NIMITZ - LOS GATOS
5. SOUTH BAY
6. GUADALUPE
7. SHORELINE

EXPRESSWAYS

1. LAWRENCE STATION
2. SAN TOMAS - HILLSDALE
3. CENTRAL EXPRESSWAY

LEGEND

FREEWAYS
EXISTING

EXPRESSWAYS
EXISTING

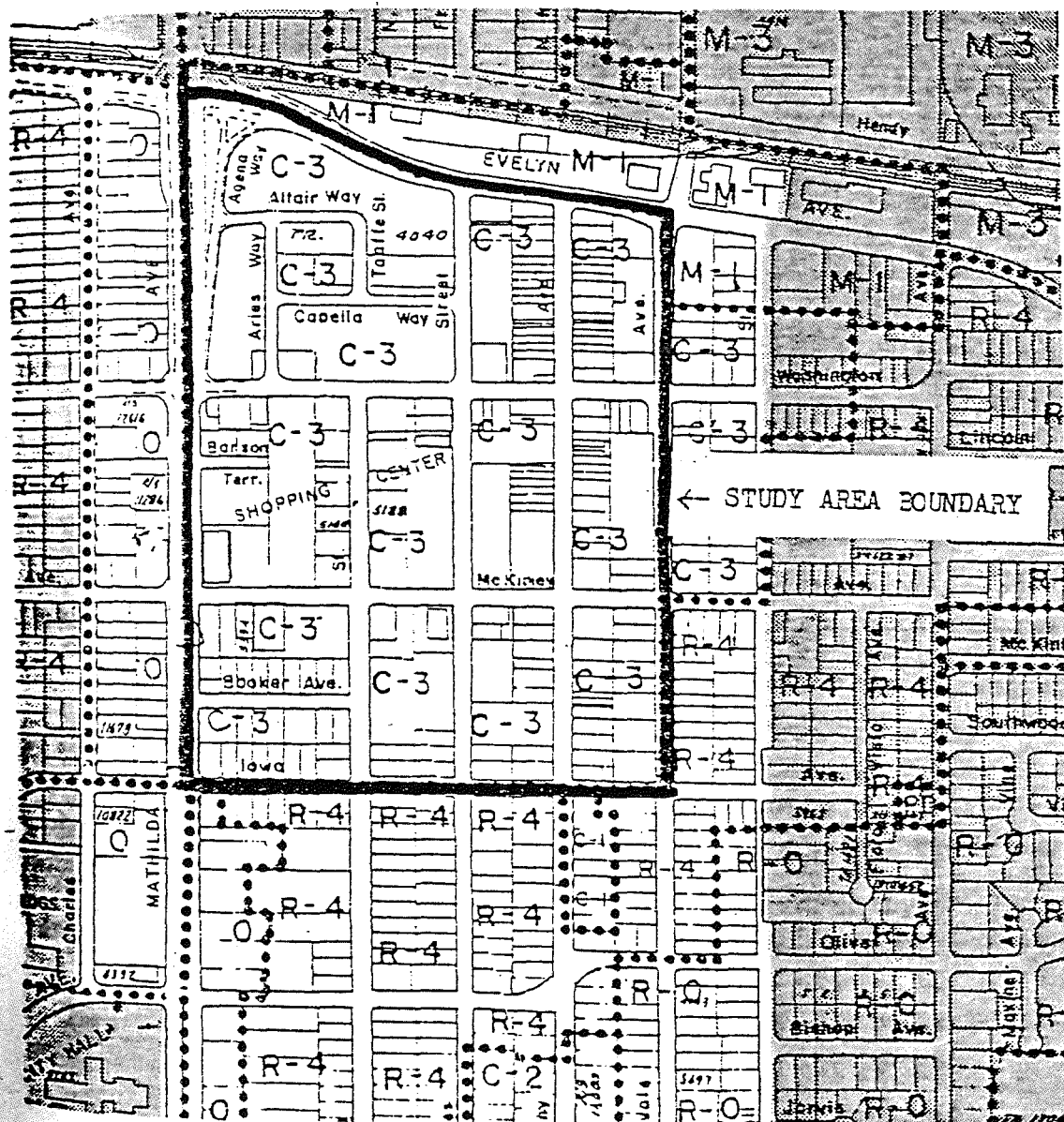
MAJOR ARTERIAL
EXISTING

REGIONAL ACCESS MAP

STUDY AREA

FIGURE

5



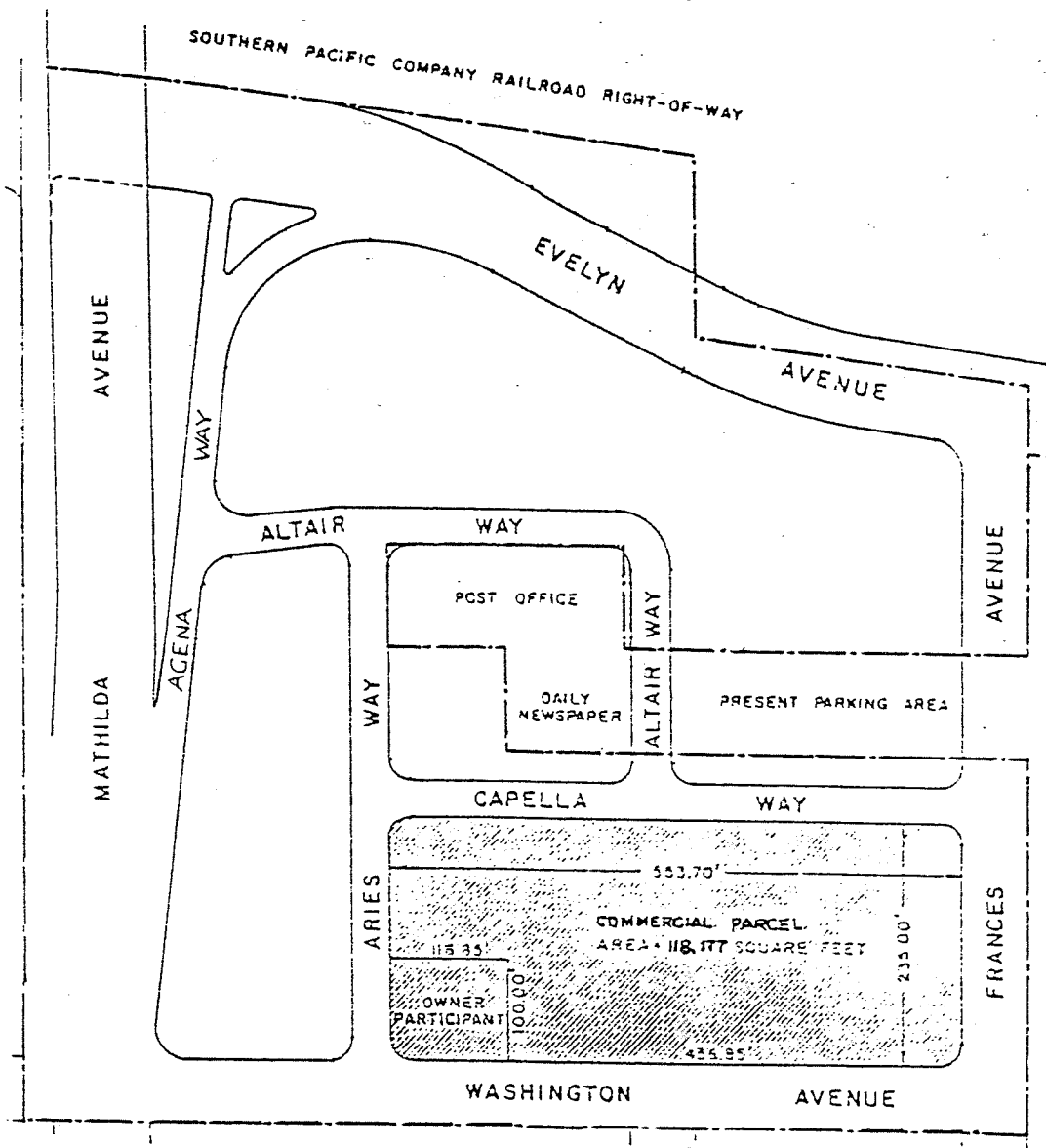
EXISTING ZONING
OF
DOWNTOWN SUNNYVALE

FIGURE 6

III. ENCINA URBAN RENEWAL PROJECT

General Description

The site of the Encina Urban Renewal Project is bounded to the north by Evelyn Avenue. The Southern Pacific Railroad lies adjacent to Evelyn Avenue to the north. The other block boundaries are Frances Avenue to the east, Washington Avenue to the south, and Mathilda Avenue to the west. The gross acreage of the parcel is approximately 19.2 acres. This area location is shown on the accompanying map (see Figure 7). Traditionally, this area has had a random type of development. As a result of the old tradition of mixed commercial and residential use, the different land uses were closely proximated. The varied character of local development confused the identity of the community and created chaos in the pattern of land use. But, most of the land within this area had been predominantly residential in character. In the late forties, this area had seriously deteriorated. There was an urgent need to eliminate the stagnant and unproductive condition of the land in the area, land that could be useful and valuable in contributing to balanced development. Because of this, one of the most obvious alternatives,



----- PROJECT AREA
BOUNDARY

ENCINA URBAN RENEWAL PROJECT

BOUNDARY MAP

FIGURE

7

which was considered in the planning process, was an urban renewal program of clearance and redevelopment. But the concept of urban renewal was not given serious consideration in Sunnyvale until 1953.

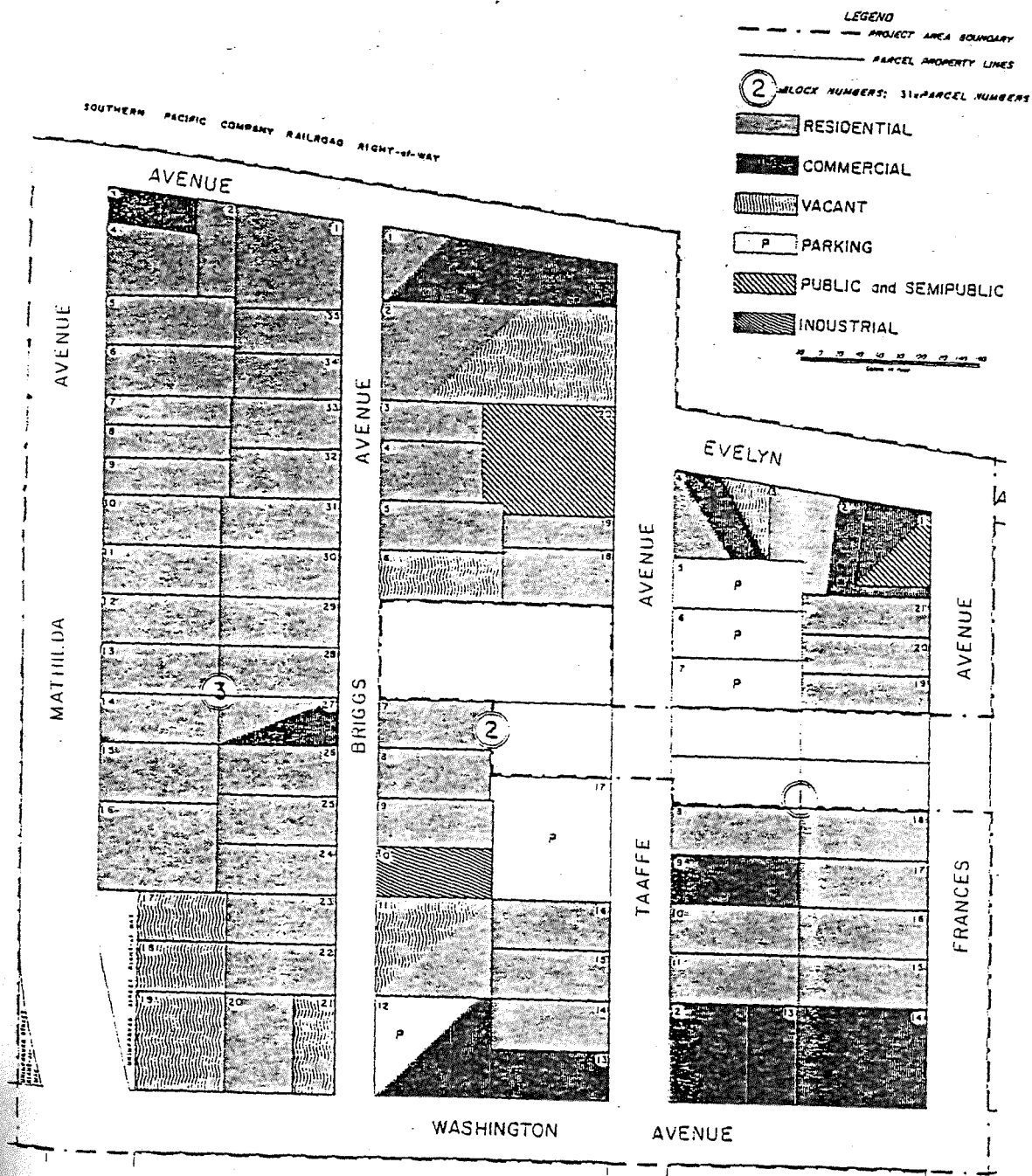
Process

In the course of developing the Sunnyvale general plan, the Planning Commission and City Council recognized the need for both rehabilitation and redevelopment in certain parts of the city. The General Plan was completed and adopted by the Planning Commission on September 11, 1957. The City Council adopted it on October 8, 1957. The first major redevelopment project was undertaken by the City Council, starting in 1957, by the formation of the Encina Urban Renewal Plan. Impressed with the need for urban renewal in Sunnyvale and by the opportunity of receiving federal aid to speed up the program, the City Council declared itself the Redevelopment Agency on November 19, 1957. The first step in meeting federal qualifications was to upgrade the housing standard in Sunnyvale. This was accomplished with a Uniform Housing Code passed by the City Council on November 10, 1957. In order for an urban renewal project to be eligible under a federal aid program, the project must be predominantly residential and must contain deficiencies to such

an extent that public action is necessary to eliminate and prevent the continuing spread of deterioration or blight. A building inspection survey of the project area was conducted by the city's building department and included the entire project area. The survey revealed that 75.9% of the buildings were substandard, and of the 85 buildings in the project area, 68 (or 80%) were residential⁷ (see Figure 8).

The Federal Urban Renewal Administration approved the planning application for a 32 acre Urban Renewal Project on December 24, 1958. Under this project, two blocks of land (100 Murphy Avenue) which are immediately adjacent to this area (eastward along Murphy Avenue between Evelyn and Washington Avenues) were also included. In the following year, Western Real Estate Research Corporation was hired by the city to do a marketability study. The study revealed that the market for commercial property in the project area would not absorb all the property to be cleared in the 32 acre area. At about the same time, the Urban Renewal Administration notified the Redevelopment

⁷ Redevelopment Agency of Sunnyvale City. Opportunity in Sunnyvale, California (Sunnyvale, CA: The City of Sunnyvale, 1961), pp. 1-6.



ENCINA URBAN RENEWAL PROJECT AREA;
LAND USE BEFORE THE PROJECT

Agency that the commercial area of these two blocks was considered an auxiliary area, because it was predominantly a commercial area. Hence, in order to meet these two requirements, the renewal plan was revised and these two blocks of land were taken out of the project. Then, a preliminary plan which only contained 19.3 acres was designed, and submitted to the Regional Office of the Housing and Home Finance Agency (HHFA) in San Francisco for review and approval.⁸

Following the review and approval of the Urban Renewal Plan by the HHFA in November, 1959, a final renewal plan, titled "Encina Urban Renewal Plan" was developed from the basic ideas of the preliminary play. Meanwhile, the city staff began work in a project report, which included three sections:

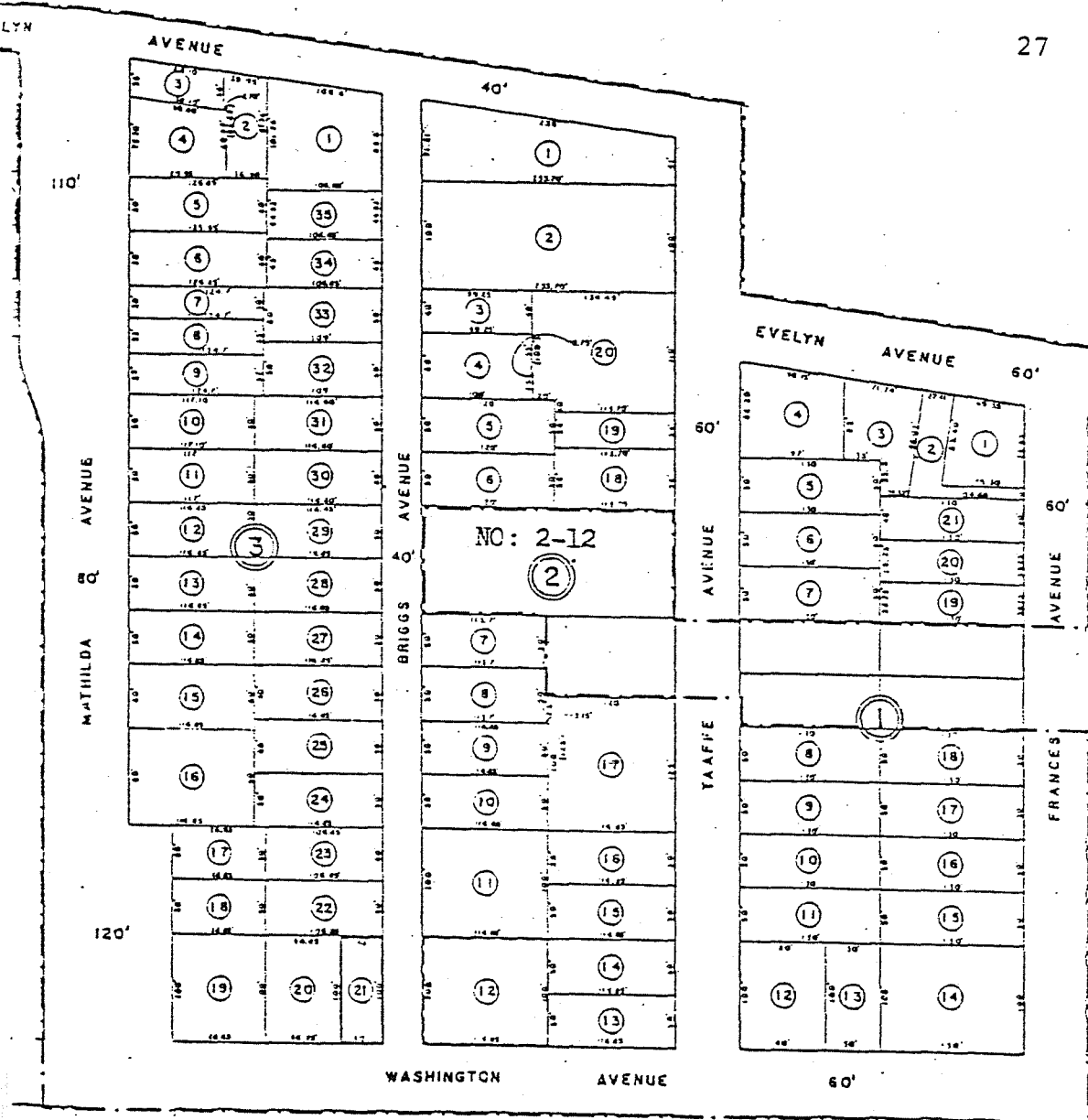
- (1) A detailed urban renewal plan for the project area
- (2) A relocation plan to provide means of helping project residents find decent housing and pay for their moving expenses
- (3) A finance report estimating the necessary expenses of executing the project

⁸ Opportunity in Sunnyvale, pp. 7-11.

At the same time, an interim zoning district was established. It provided interim regulations for use of land pending redevelopment of the renewal area on January 26, 1960. Five months later, the final plan and report was submitted to the Urban Renewal Administration in Washington, D.C. for approval.

Planning and Execution

This project area was at a prime location near the city's traditional shopping street (Murphy Avenue). Also, it was a portion of the existing central business district of the city and this would help to attract private investors. On the other hand, since this area was boxed in by the three main traffic streets, it made the area unsuitable for continued residential use (see Figure 9). Consequently, this area was deemed a better location for commercial use. Therefore, the Encina Urban Renewal Project provided this area for private shopping services and public off-street parking. The remaining portion of this area was to be used for widening of streets inside and on the border of the project area (see Figure 10). The renewal plan did not propose to acquire, demolish, or clear the parcel (No. 2-12) within this area, as shown on Figure 9, because at that time, the parcel was in commercial use, and the existing buildings were standard



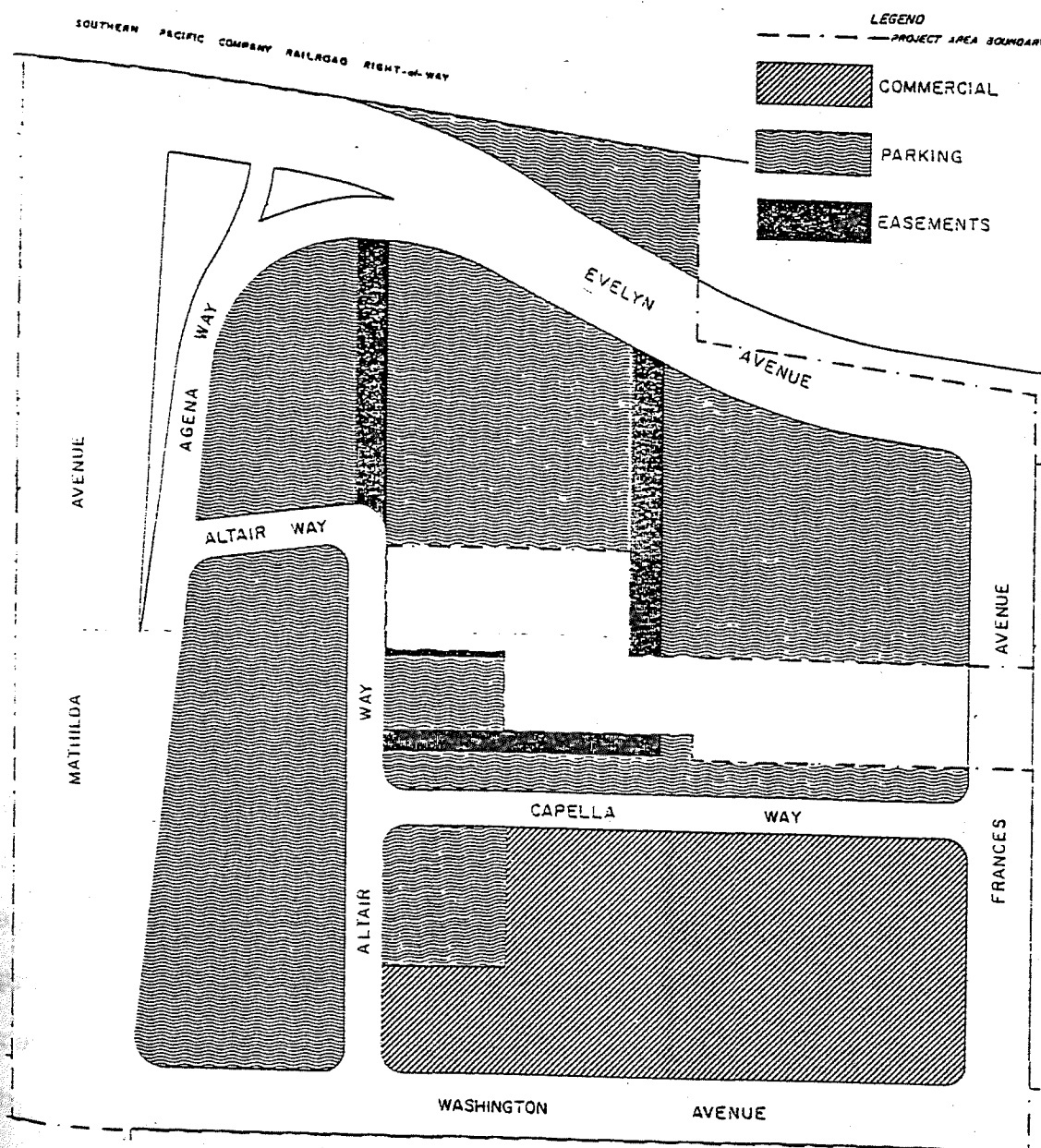
PROJECT AREA
BOUNDARY

ENCINA URBAN RENEWAL PROJECT AREA:

PARCEL MAP BEFORE THE PROJECT

FIGURE

9



ENCINA URBAN RENEWAL PROJECT AREA:

PROPOSED LAND USE MAP

FIGURE

10

and met all building requirements of the city of Sunnyvale. Its land use was compatible with the proposed reuse of the adjacent commercial area, and the facilities and use were in conformity with the provision and objectives of the renewal plan.

Besides this parcel, according to the renewal plan, whole parcels within the project area were scheduled for clearance and redevelopment. The existing streets and blocks were also eliminated, and replaced with new land subdivisions. The land use plan provided for two reuses. Private reuse would be confined to a commercial shopping center and the second reuse would be for public off-street parking space. The commercial parcels would be sold to the private developer who presented the proposal which would best carry out the urban renewal plan. The designated public parking area would be acquired by the Redevelopment Agency and would be sold to the city of Sunnyvale for redevelopment as public off-street parking. The sale price of the property to be disposed of would be determined by qualified reuse appraisers. The actual sale price would be settled by negotiations between the Redevelopment Agency and the developers, with concurrence of the federal government. The proposed financial plan of the "Encina Urban Renewal Project" is shown on Table I.

TABLE 1
COST ESTIMATES FOR EXECUTION OF PROJECT

Project Cost by Redevelopment Agency

1.	Project Expenditures	\$ 3,361,754
2.	Supporting Facilities	1,770,161
	Gross Project Cost	\$ 5,131,915
3.	Less: Estimated Proceeds from Land Sales	<u>2,215,004</u>
4.	Equals: Net Project Cost	\$ 2,916,911

Total Project Expenditures

1.	Survey and Planning Costs	\$ 84,125
2.	Project Execution Expenditures	3,277,629
	a) Administration - Office Operation	74,228
	b) Legal Services	28,000
	c) Acquisition Expenses	37,901
	d) Temporary Opera- tion of Acquired Property	8,830
	e) Relocation Costs Administration	8,665
	f) Site Clearance	88,817
	g) Project Improvements	135,215
	h) Disposal Costs	11,011

TABLE 1 (continued)

i)	Interest on Loan	121,825	
j)	Contingencies	25,725	
k)	Acquisition of Property	2,712,710	
l)	Project Inspection	24,707	
3.	Total Project Expenditures		\$ 3,361,754

Total Supporting Facilities—Non-Cash Grants In Aid

1.	Acquisition of site and future development cost for parking lots outside the Project boundary (Parking lot K)	\$ 120,772	
2.	Acquisition of offstreet public parking lots in Project Area	1,324,254	
3.	Development costs for offstreet public parking lots in Project Area	206,197	
4.	Boundary street improvements	95,004	
5.	Street lighting, signal and fire alarm system in boundary streets	23,934	
6.	Total Supporting Facilities		\$ 1,770,161

TABLE 1 (continued)

Federal Grants for Project

1.	Net Project Cost	\$ 2,916,911
2.	Less: Local Grants-in-Aid	
	a) Non-Cash Grants-in-Aid	\$ 1,770,161
	b) Cash Grants-in-Aid	<u>12,665</u>
3.	Total Local Grants-in-Aid	<u>\$ 1,782,826</u>
4.	Federal Project Capital Grant	\$ 1,134,085
5.	Add: Federal Relocation Grant	<u>35,250</u>
6.	Total Federal Grants	\$ 1,169,335

Total Estimated Costs to City of Sunnyvale

1.	Project Improvements for which non-cash grant-in-aid credit is given, but actual costs borne by City	
	a) Right of way and easements	\$ 95,004
	b) Street lighting, signal and fire alarm system	<u>23,934</u>
		\$ 118,938
2.	Project improvements ineligible for non-cash grants-in-aid credit or as a project cost	
	a) Storm drainage	\$ 8,054
	b) Water Distributor	2,757
	c) Right of way and easement	108,137
	d) Street lighting, signal and fire alarm system	<u>29,605</u>

TABLE 1 (continued)

	\$ 148,371
3. Engineering and Contingencies at 7%	\$ 18,712
4. Total Estimate	\$ 286,021

Total Estimated Amount of Private and Public Investment in Project Area

1. Private Capital - 26%	
a) Land acquisition	\$ 717,400
b) Construction	<u>1,500,000</u>
	\$ 2,217,400
2. Local Public -60%	
a) Parking District for acquisition and development of off-street parking in project area - 30%	\$ 1,530,451*
b) City of Sunnyvale for Project Improvements - 5%	286,021
c) Redevelopment Agency for Project expenditures - 65%	<u>3,361,754</u>
	\$ 5,178,226
3. Federal Grants - 14%	<u>1,169,339</u>
4. Total Estimate	\$ 8,554,965

* Estimates based on development costs for metered parking. Unmetered parking would reduce total by approximately \$50,000.

SOURCE: Redevelopment Agency of Sunnyvale City, Opportunity in Sunnyvale, California, pp. 14-17.

The renewal actions undertaken in the project area by the agency were financed principally by a loan and grant from the federal government under Title I of the Housing Act of 1949. As amended, the agency and other public entities would provide the balance of the needed resources. Using these resources the Redevelopment Agency undertook the acquisition of property for the purpose of redevelopment. Each parcel of property within the project area was appraised twice by professional real estate appraisers. The appraisal was made shortly before an acquisition agent contacted the property owners. After appraisal each property was offered at a fair market value, which was defined as the highest amount of money that the property would bring in the open market. The purchase of property activities were completed within two months after commencement of the land acquisition. A rehousing service staffed by a qualified relocation specialist was established by the Redevelopment Agency. While the purchasing of properties was started, the agency worked on relocation of families and individuals to desired areas and at rents or purchase prices that were within the financial means of the relocated individuals. Because the project area was cleared in stages, it allowed most project residents and businesses ample time to find suitable accommodations. As a result, the Redevelopment Agency did not have any serious problems

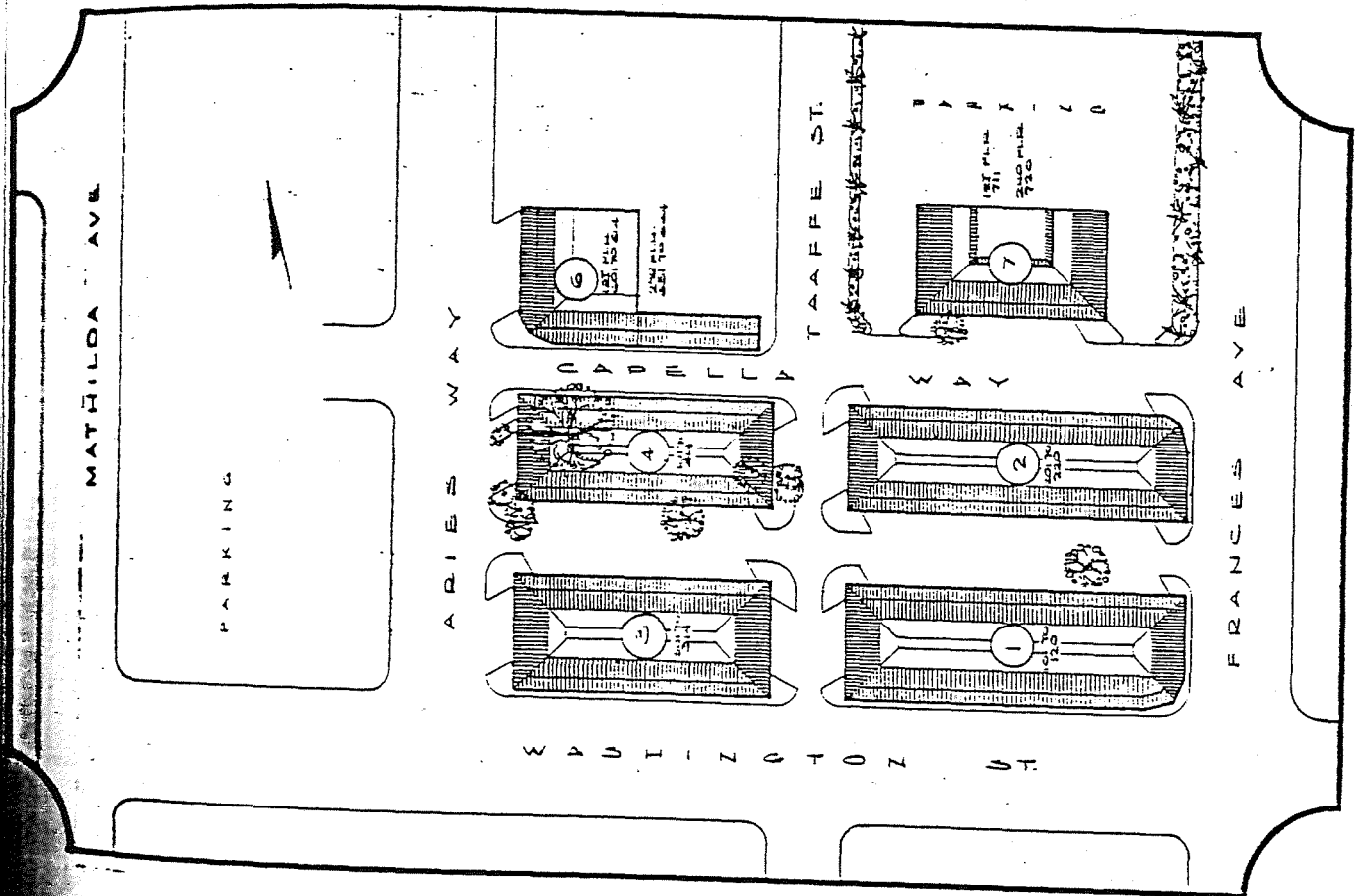
in relocating the property owners and tenants living in the project area.

After the properties were acquired and buildings were vacant, they were demolished and removed from the project area. When the project area was cleared, the reconstruction of the project for reuse was begun. New streets and pedestrian ways were designed. The necessary public utilities were constructed and installed, along with removal of those deemed no longer necessary. After the whole area was cleared, new streets created and new utilities installed, the renewal project went into the final step—land disposition. Under the renewal plan the whole area provided two kinds of reuse: the private commercial shopping area and public off-street parking. The parking district was sold to the city of Sunnyvale for setting up public off-street parking. The remaining land for commercial reuse (130,000 square feet) was sold to the Town and Country Village, Inc., for \$285,000 on June 21, 1966.⁹

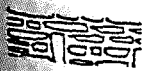
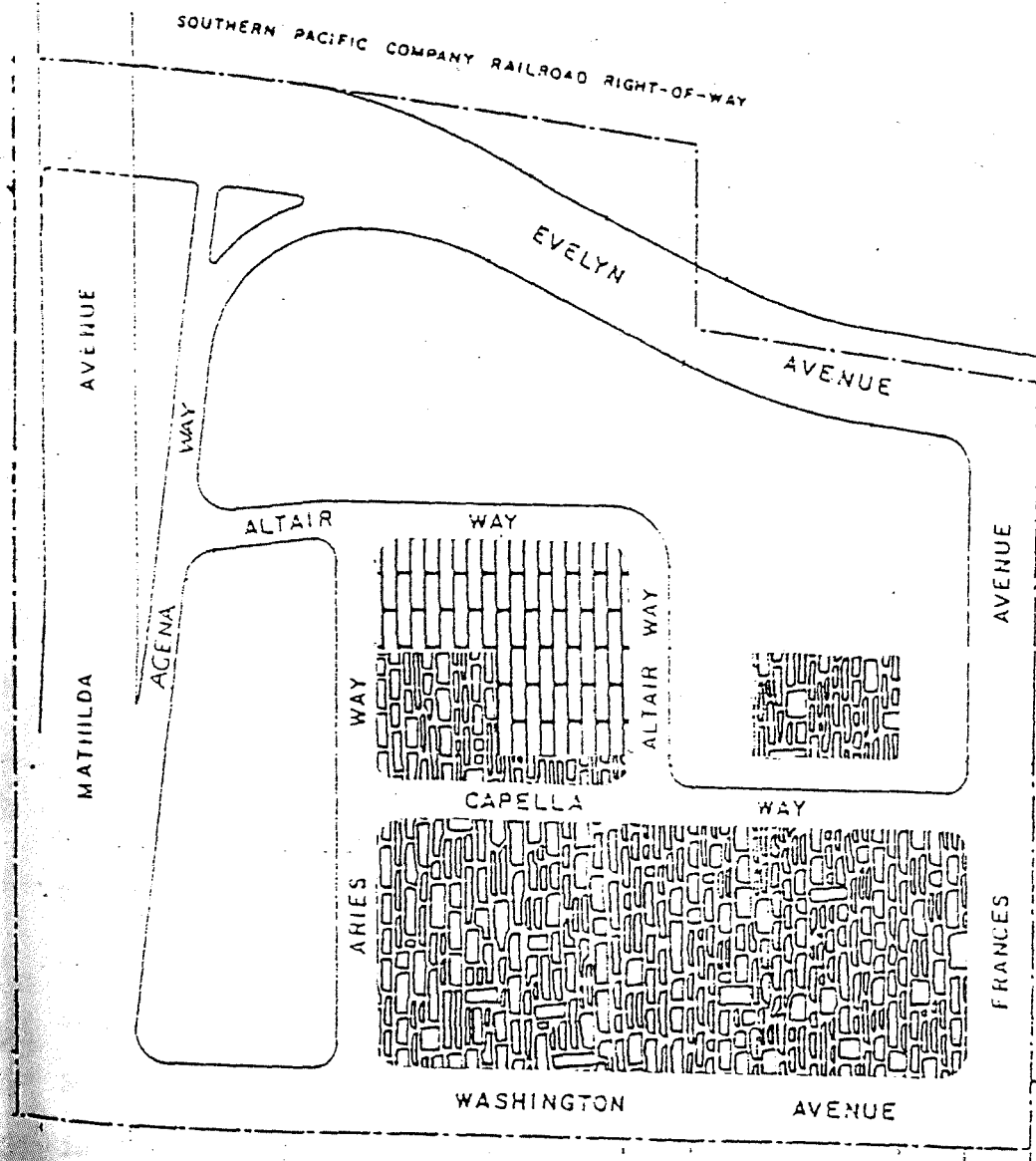
⁹ Redevelopment Agency of Sunnyvale City. Urban Renewal Plan. (Sunnyvale, CA: The City of Sunnyvale, 1961), p. 12.

Review

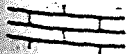
Before making a fair review of the Encina Renewal Project some ten years later, let us take an objective look at the conditions as they exist today. Today the project area contains: a retail shopping center (Town and Country village; see Figure 11), and several separate public parking lots (see Figure 12). The Town and Country Village Shopping Center consists of six buildings, separated into six blocks and cut off by streets. Town and Country Village Shopping Center is designed as a sophisticated stepsister of the farmer's market: a group of small scale stores, threaded by picturesque pedestrian alleys, surrounded by a wide belt of parking, with the streets laid out with the charm of irregular form. All the buildings of this shopping center have the same theme of early California Spanish design. The architecture is very similar, as are the materials used: wood and brick are the dominant materials in the shopping center. The design of the center does not cluster all the shops together, but instead strings out the individual stores one after another. Shopping windows are uniform in appearance along the storefronts, but within this uniform framework, there is immense variety in the display fronts of the various stores. Walkways run parallel to the shop windows, helping shoppers feel more intimately connected to the shops.



SITE MAP
OF
Town & Country Village



Town & Country Village Shopping Center



Post Office & One Private Company's Workshop



Parking Area

ENCINA URBAN RENEWAL PROJECT

The Present Land Use Map

Meanwhile, arcades cover all the walkways, protecting the shoppers from the elements, and improving the overall appearance.

Some parking spaces are directly in front of the stores and are divided by carefully designed flower beds and landscaping islands. In harmony with the structures, a number of beautiful flowers, bushes and trees are planted and well maintained. The front curb parking gives the customer an opportunity to find a parking space directly in front of the stores he intends to visit. In addition, this kind of design allows the customer to enter his destination directly and to leave it quickly. This device has the advantage of exposing the storefronts to a large volume of passing traffic, but on the other hand, the shoppers are prevented from the hazards of crossing streets and can pass easily from one store block to another.

Some parking spaces to the north along Evelyn Avenue are ineffective because the parking spaces in these areas are too far from the stores. They are used only at peak sales periods. It is especially difficult for people to carry heavy packages back to their cars, since this shopping center does not supply shopping carts for the customers.

Today, shopping is an important part of the lives of both families and individuals, and shopping centers are becoming very popular places for people to spend their time. The plan of shopping centers has to create a pleasant environment for the purpose not only of buying goods, but also of satisfying human social needs and physical needs. The shopping center should provide some place where people can feel relaxed and comfortable, because when people are relaxing, talking, eating, and enjoying themselves in a pleasant atmosphere, pleasant memories abound. The excitement of returning to that shopping place is then a pleasure, not a task. Although this shopping center has a number of wooden benches placed along the walkways to allow an opportunity to rest, there are not enough of these for the number of people who use the shopping center.

Looking back from a distance of 15 years, it is of course easy to find some faults in the pioneer development. Yet, since the new shopping center was opened in 1968, it has always attracted many people. Although the business of the downtown retail core was still in gradual decline—Sunnyvale Plaza in particular—the new shopping center seemed to be running very well year after year. From my retail comparison chart below, one can get an actual gauge of the success of Town and Country Village Shopping Center

by comparing it to Sunnyvale Plaza, demolished in 1977, which was a monolithic structure built in the early 1950's by a private developer. It was located just across Washington Avenue to the south.

TABLE 2

COMPARISON CHART OF ANNUAL RETAIL SALES
(in thousands of dollars)

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Town and Country Shopping Center	1,069	1,759	2,123	2,979	3,759
Sunnyvale Plaza	11,194	10,378	8,814	7,789	8,280
	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Town and Country Shopping Center	4,318	4,327	4,755	4,920	5,758
Sunnyvale Plaza	8,081	6,756	5,804	—	—

SOURCE: Mr. Al Bailey, Manager, Town and Country Village

In order to draw a conclusion of what makes a successful shopping center of this type, we have to analyze the elements that make it special. On the one hand, this design can offer shoppers various goods and services in one stop shopping. It also allows the different shops to create their own environment according to their individual tastes

and needs. These factors may well be helpful in attracting new customers to this group of stores. For the small business owner, for example, by joining such a group he not only has the opportunity to open a shop in the downtown area, but he can share facilities such as parking, landscaping, even public toilets. These are amenities he might not be able to afford on his own if his business were set up independently in a scattered community. In addition, this type of shopping center is one in which individual owners sell different goods, from tiny stalls, under a common roof. This device offers the opportunity of intimate commercial activity. There is no doubt that this is a more human and enlivening experience than the big department store or supermarket, as it creates a pleasant experience in human contact. The shopping center is fitted together to form a series of tight, informal, picturesque little shopping courts. As a result, the original investment in buildings was comparatively low, yet gross sales are high. Generally speaking, the Encina Renewal Project was successful not only in the rehabilitation of this deteriorating parcel but also in stimulating the economy of the run down retail core.

Encina Urban Renewal Chronology

- 1953-1954 First redevelopment action under private funds for the parking district on Taaffe Street.
- Oct. 3, 1957 General Plan was adopted by City Council.
- Nov. 10, 1957 Uniform Housing Code was passed by City Council.
- Nov. 19, 1957 Redevelopment Agency was declared by City Council.
- Dec. 10, 1957 Designated Encina Urban Renewal Area.
- April 10, 1958 Formation of a citizen urban renewal advisory committee.
- Requested the reservation of capital funds for undertaking of survey and plans for Encina Urban Renewal Project and filed an application for Federal advance of funds.
- Jan. 1959 Marketability study was made by the Western Real Estate Research Corporation to obtain basic information on the marketability of property within the Redevelopment Plan.
- Jan. 1959 Urban Renewal Administration notified the Redevelopment Agency that the 100 block of Murphy Avenue was considered an auxiliary area.
- Nov. 1959 A new plan which did not include the 100 block of Murphy Avenue was designed and approved by the Housing and Home Finance Agency.
- Nov. 1959 City staff began work on a final project report.
- Dec. 1959 A preliminary plan was approved by the Planning Commission.

Jan. 1960	An interim zoning district was established for use of land pending redevelopment of the renewal area.
June 1960	The Encina Urban Renewal Plan and report was submitted to the Urban Renewal Administration for final approval.
Feb. 1961	The public hearing undertook a proposed Urban Renewal Project and adopted the Urban Renewal Plan.
March 1961	City Council approved the Urban Renewal Plan and feasibility of relocation for the project.
June 1961	City Council authorized execution of disposal agreement.
June 28, 1961	Entered into an agreement with the Redevelopment Agency for project No. Calif-R-32 (Encina).
July 9, 1963	Amended the Urban Renewal Plan.
Feb. 1965	Abandoned portions of certain streets within the Encina Urban Renewal Area.
April 1965	Created new easements and streets within the renewal area.
Aug. 22, 1967	Amended the Urban Renewal Plan for the Encina Urban Renewal Project to allow certain commercial uses within the commercial reuse area to exist to accommodate the Town and Country development.
June 21, 1966	Approved the sale of the commercial reuse area (130,000 square feet) to Town and Country Village, Inc.

IV. SUNNYVALE CENTRAL CORE:

PRELIMINARY INVESTIGATION FOR REDEVELOPMENT

General Description

Due to rapid urban sprawl, Sunnyvale experienced a decline in central area activities during the 1960's and retail sales followed a downward trend. In the early 1970's, Sunnyvale's downtown once again began to experience a gradual decline in its marketing position due to strong competition from outlying shopping centers. In addition, the physical structures of this area had deteriorated to the point of becoming an unattractive area. About that time, there were two viable retail centers in Sunnyvale's central business district—Sunnyvale Plaza and Town and Country Village. Town and Country Village is a major retail center, featuring comparison shopping. The Town and Country Village is a 65,000 square foot open mall, located northeast of Washington and Mathilda Streets. This center is quite modern as it has been open only since 1968. Of the department stores in the Sunnyvale Plaza, which contained 266,000 square feet, and a partly open mall located on either side of Taaffe Street, south of Washington Street, the three major tenants were as follows:

Hart's	65,000 sq. ft. gross leasable area
J.C. Penney Co.	24,000 sq. ft. gross leasable area
J.J. Newberry Co.	38,000 sq. ft. gross leasable area

These facilities were in good repair, but were rapidly becoming obsolete compared to the more competitive modern facilities to be found in Santa Clara County's ten major regional shopping centers. In regard to the CBD deterioration, at least the following four main redevelopment studies were underway for the downtown area: 1) the 1965 Victor Gruen study set forth planning guidelines while the development research report enumerated economic possibilities; 2) a further analysis of traffic movement was undertaken through the National Academy of Sciences by Peat, Marwick and Livingston, financed through a \$200,000 grant in March of 1956; 3) a comprehensive plan for implementing improvement of the CBD ("Downtown Plans Into Action") was prepared in 1968 by the Sunnyvale Departments of Community Development and Public Works; and 4) Stage I of Beautification of Murphy Avenue and Taaffe Street Mall, by Ecco, Dean, Austin, and Williams started in March 1969.

These studies all contributed to the downtown economic feasibility study conducted by Larry Smith & Company, Inc., in 1974. This economic study was intended to provide the city of Sunnyvale with a broad planning perspective for the

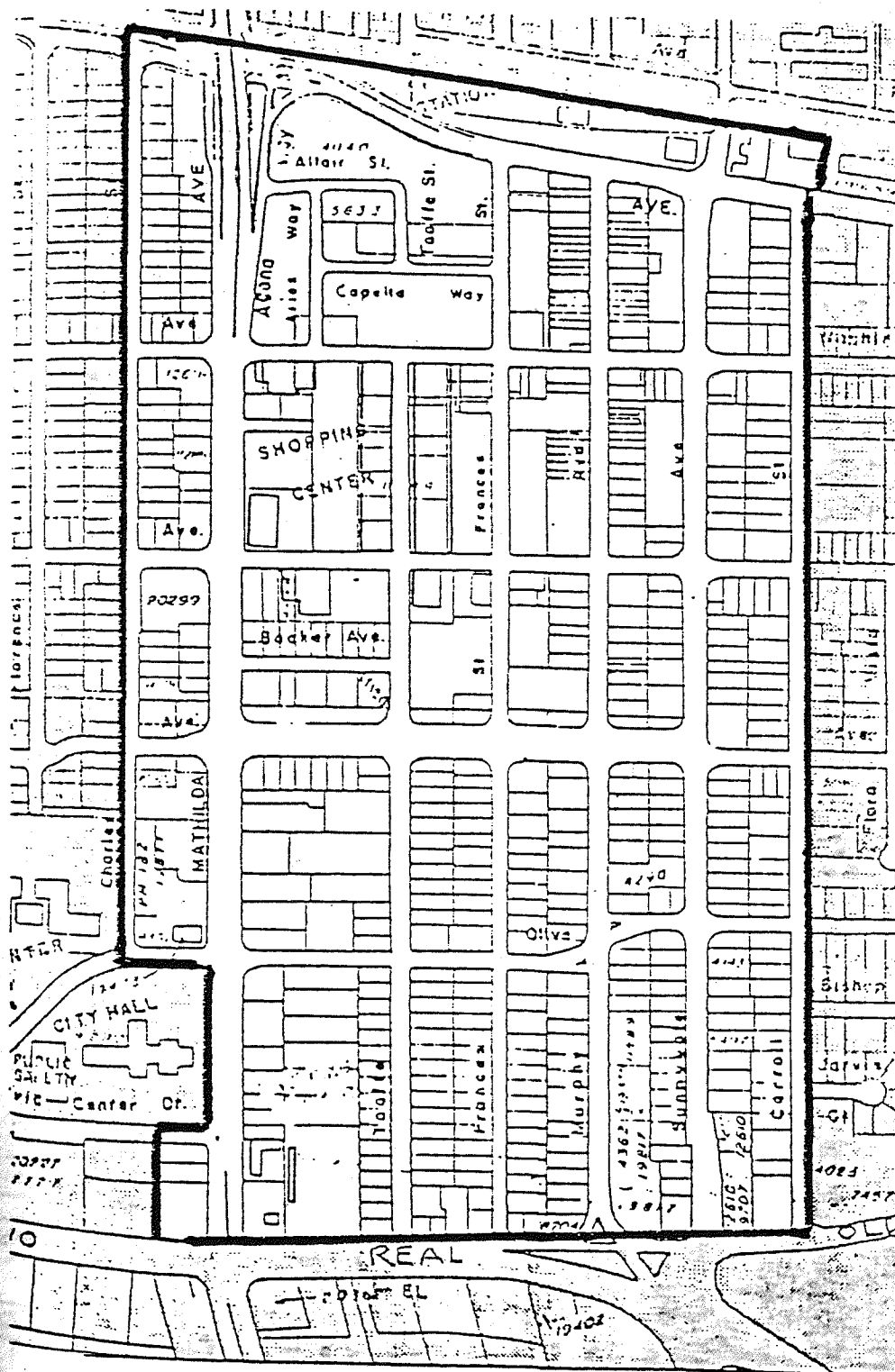
downtown area retail redevelopment based on a realistic economic overview. It pursued various options open to the city aimed at the redevelopment and/or development of the central business district. One option was to take no further action at all and let the development take place without any specific assistance program. Another option was to formulate a redevelopment plan for the CBD under the Community Redevelopment Law. The Larry Smith organization studied the economic factors pertaining to downtown retail and commercial redevelopment and prepared a report entitled "Retail Redevelopment Opportunities" in October 1974. As a result of the report's recommendations, the City Council, in February 1975, determined the need for a redevelopment study and adopted the survey area boundaries. A portion of the city's Community Development Block Grant monies was earmarked for the planning process, including a special county census, a study of fiscal and economic conditions of the downtown area and an inventory of housing stock. Eventually, a preliminary redevelopment plan was prepared and approved by the Planning Commission on July 14, 1975. This plan was entitled "Redevelopment Plan for the Central Core, Sunnyvale, Calif."

Project Boundary

The boundaries of the Sunnyvale Central Core Redevelopment project area in 1975 are delineated in Figure 13. The project area then extended from El Camino Real to the Southern Pacific Railroad and included the blocks on both sides of the principal access arteries, Mathilda and Sunnyvale Avenues, together with the lands lying between. It included approximately 400 acres, and contained the civic center area, the original business district and encompassed the CBD of Sunnyvale. It was then the city's principal retail and administrative center. The area around the CBD core, but within the project area boundaries was then and is today primarily single-family residential, while the CBD itself was then a diverse mixture of retail and related commercial uses.

Proposal Plan

The whole project area was divided into two main treatment areas shown in Figure 14. The first of these areas, the primary clearance area, consisted of all of the blocks bounded by Iowa Avenue, Washington Avenue, Sunnyvale Avenue, and Mathilda, except for the properties occupied by the financial institutions facing Mathilda Avenue. This area was intended to become the principal retail center for the city, and to accomplish this purpose would require



CENTRAL CORE REDEVELOPMENT PROJECT AREA:

BOUNDARY LINE —

substantial land assembly, clearance and reconstruction, with an integrated complex of buildings and supporting facilities. Much of the redevelopment in this area has been undertaken.

The second area, the secondary clearance area, consisted of the blocks bounded by Washington Avenue, Evelyn Avenue, Carroll Street, and Frances Street. This area was intended to become a supporting office area with the possibility of some satellite retail facilities. The accomplishment of this purpose would also require land assembly, clearance and reconstruction. However, since the feasibility of the redevelopment of this area was dependent on the primary clearance area, its undertaking was delayed. The remaining land within the project area was not proposed for clearance or major change except on a spot basis. Here the objective will be to stabilize and protect sound properties and to upgrade those with a potential for improvement.

Objective

The Sunnyvale Central Core Redevelopment Project embraced ✓
land assembly, clearance, reconstruction, rehabilitation and conservation activities provided for under the California Community Redevelopment Law in order to remove or correct the conditions of blight which depressed the project

area, which prevented it from achieving its full potential, and would have deepened and spread if left unchecked. The primary objective of this proposed redevelopment was the revitalization of the Sunnyvale Central Business District to create a healthy investment climate which would accommodate growth potential and capture the broadest market support. Equally important is the aim to provide an adequate shopping environment for citizens of Sunnyvale in the city where they reside.

Methods of Financing

The difference between the cost of acquiring and clearing project land and its resale value to a redeveloper or redevelopers constitutes the major portion of the City's overall cost. For the purpose of carrying out the project, the primary method of financing will be through the sale of bonds which will be supported by bonding capacity derived from the increased assessed values within the project area, whereby all of the increased tax increment will be devoted to redeeming the bond obligation.

Participation

Two important potentials existed for participation in the central core redevelopment project. The first was by owners of residential property within the project area.

The complete clearance of this property and its redevelopment was considered essential to produce the desired results. piecemeal owner participation was expected to be difficult, but not impossible. In the event that a homeowner elected not to participate, the objectives of the plan were to be achieved by the acquisition of the property to allow the necessary work to be done either directly by the agency or through a private redeveloper. Long range participation was also earmarked, for the commercial business people in the project area were faced with the choice of moving permanently or temporarily until later relocation within the project. In the non-clearance area, owner participation was considered vital and in the owner's interest, as well as the community's, since the objectives of revitalization could only be met if consistent results were obtained throughout the treatment area.

Proposed Land Use X

The proposed land use patterns for the project followed the general plan and was also reflected in the zoning ordinance. ✓

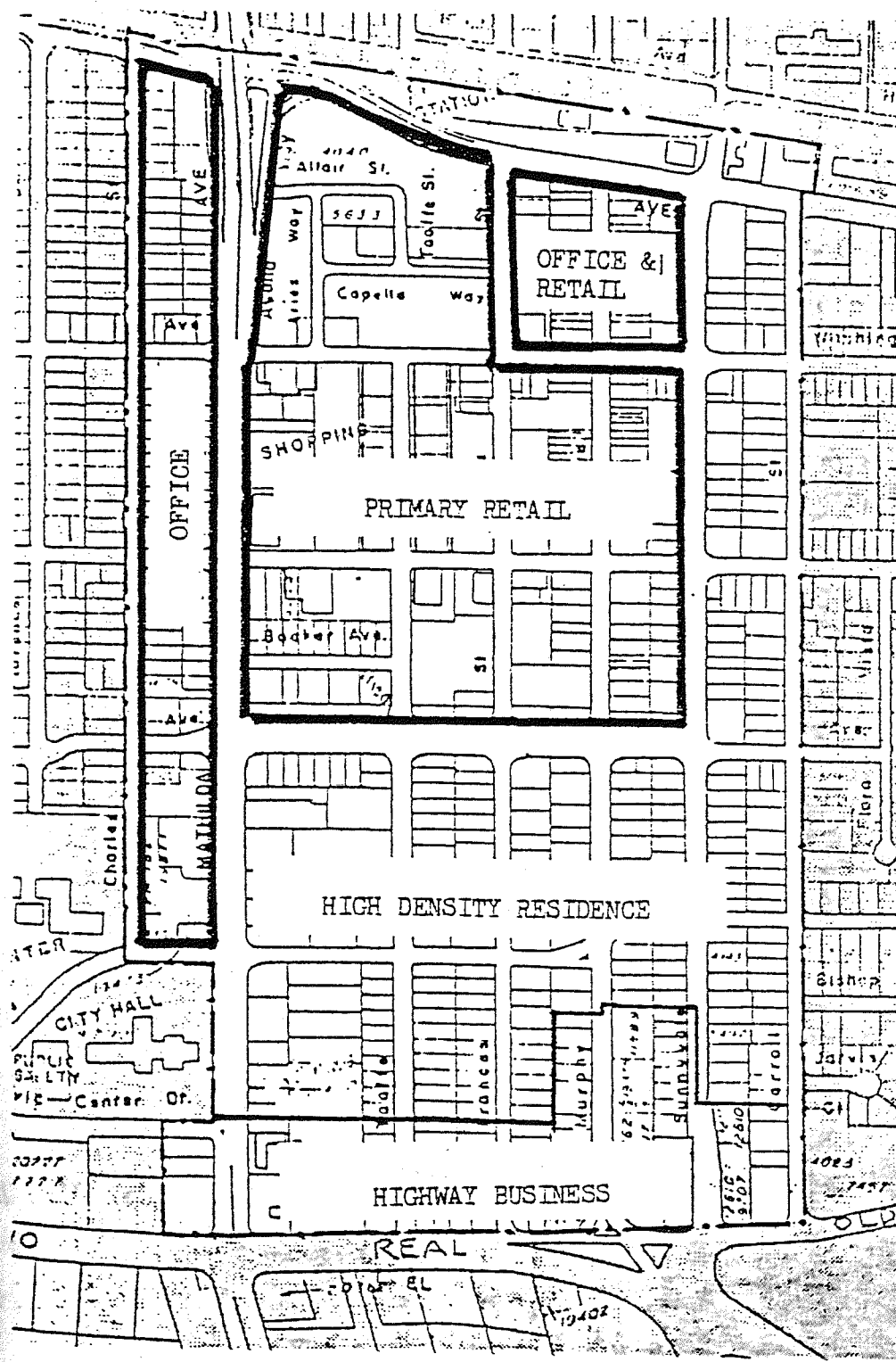
Within the primary clearance area there was about 511,000 square feet of non-residential floor area, of which approximately 130,000 square feet were vacant. An increased intensity of development was planned for this area but within the zoning limits then in force. Such an intensity

of development would have required provision for the parking of cars at a ratio of one for each 180 square feet of gross floor area, most of which would have been in parking structures. The secondary clearance area had approximately 135,000 square feet of non-residential floor area, of which 19,000 were vacant. This area was planned for less intensive commercial use with the primary emphasis on offices and satellite and service commercial uses. The C-3 zoning regulations in 1975 allowed residential development by use permit, and the possibility of integrating in-town living quarters with the commercial development would have been explored as site and architectural plans were developed.¹⁰

Within the balance of the project no major change of use or intensity was to come about as a direct result of the redevelopment activity. No change was then contemplated within the area occupied by the Town and Country Village. No change was contemplated in the financial institutions on the east side of Mathilda Avenue. West of Mathilda Avenue the General Plan and Zoning Ordinance indicated a gradual conversion to office use. South of Iowa Avenue,

¹⁰ Redevelopment Plan for the Central Core, Sunnyvale, California, 1975, pp. 5-7.

between Carroll Street and Mathilda Avenue, the General plan and the zoning showed a gradual change from low intensity residence to high intensity residential use with offices. The redevelopment plan did not seek to hasten this conversion. In fact, within the non-clearance areas, the emphasis was placed on measures to assure an orderly transition rather than a scatteration of ill considered conversions or sub-optimum new construction. The net result was expected to be a slowing, as well as a taming, of the transition process. The non-clearance residential area contained approximately 380 dwellings, 219 of which were single-family. This area, had it been developed residentially as zoned, could have accommodated approximately 1800 dwelling units (see Figure 15).



CENTRAL CORE REDEVELOPMENT PROJECT AREA:

PROPOSED LAND USE

FIGURE

I5

V. SUNNYVALE CENTRAL CORE:

TOWNCENTER REDEVELOPMENT PROJECT (STAGE I)

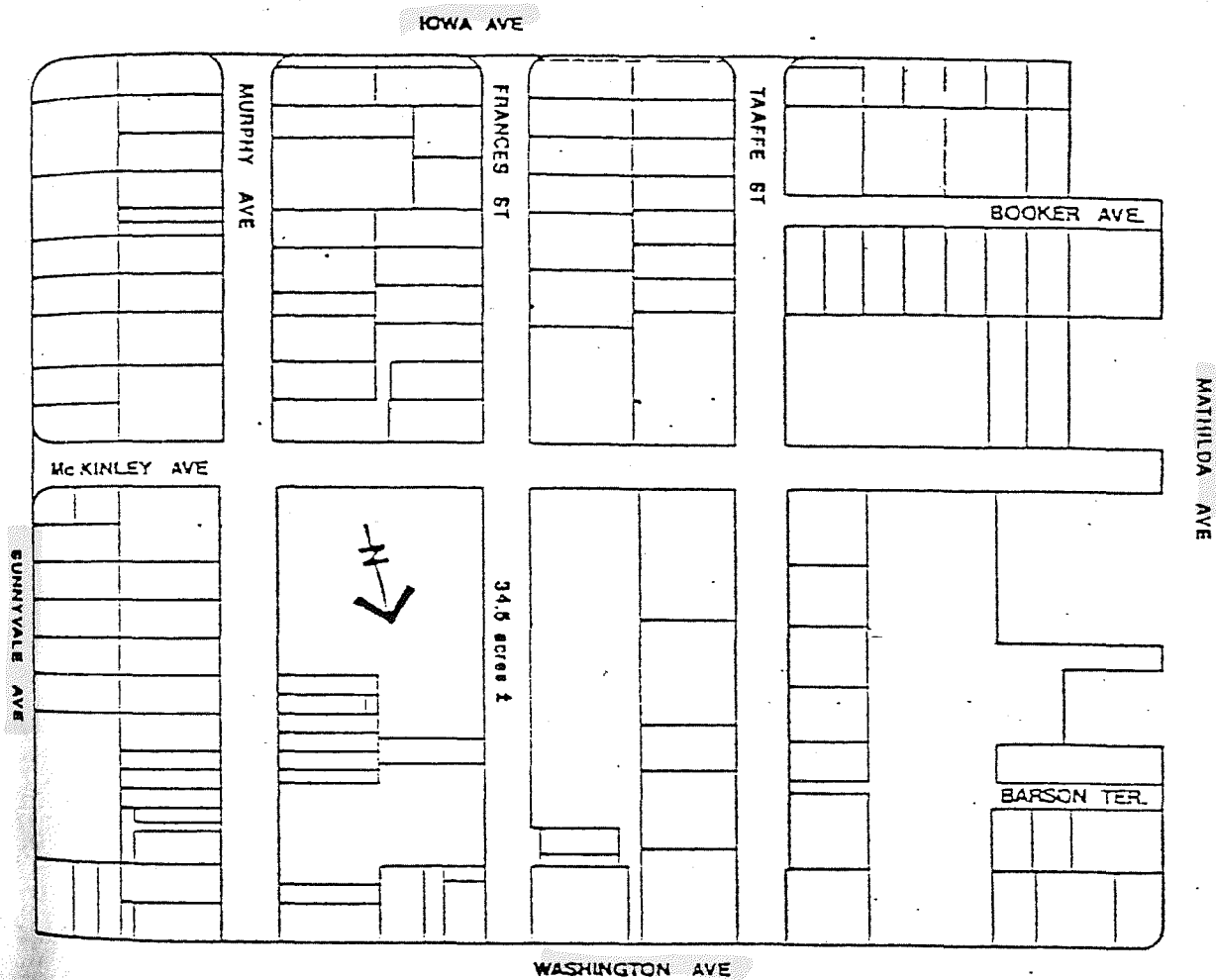
General Description

The TownCenter Project is the first stage of the Central Core Redevelopment Project. Much of this stage has already been undertaken. It encompassed a total of 34.5 acres and will be made up of 90 individual parcels within a nine block area of downtown Sunnyvale (see Figure 16). The project's boundaries are shown in Figure 17. At the beginning of this first stage, eleven residential units belonged to homeowners and tenants. There were also 148 businesses within the project redevelopment area, of which 84 were retail, 49 commercial, 10 financial and 5 non-profit organizations. In 1975, the total assessed value of the residential and business properties was \$2,058,560, with an estimated market value of \$12,557,216.¹¹

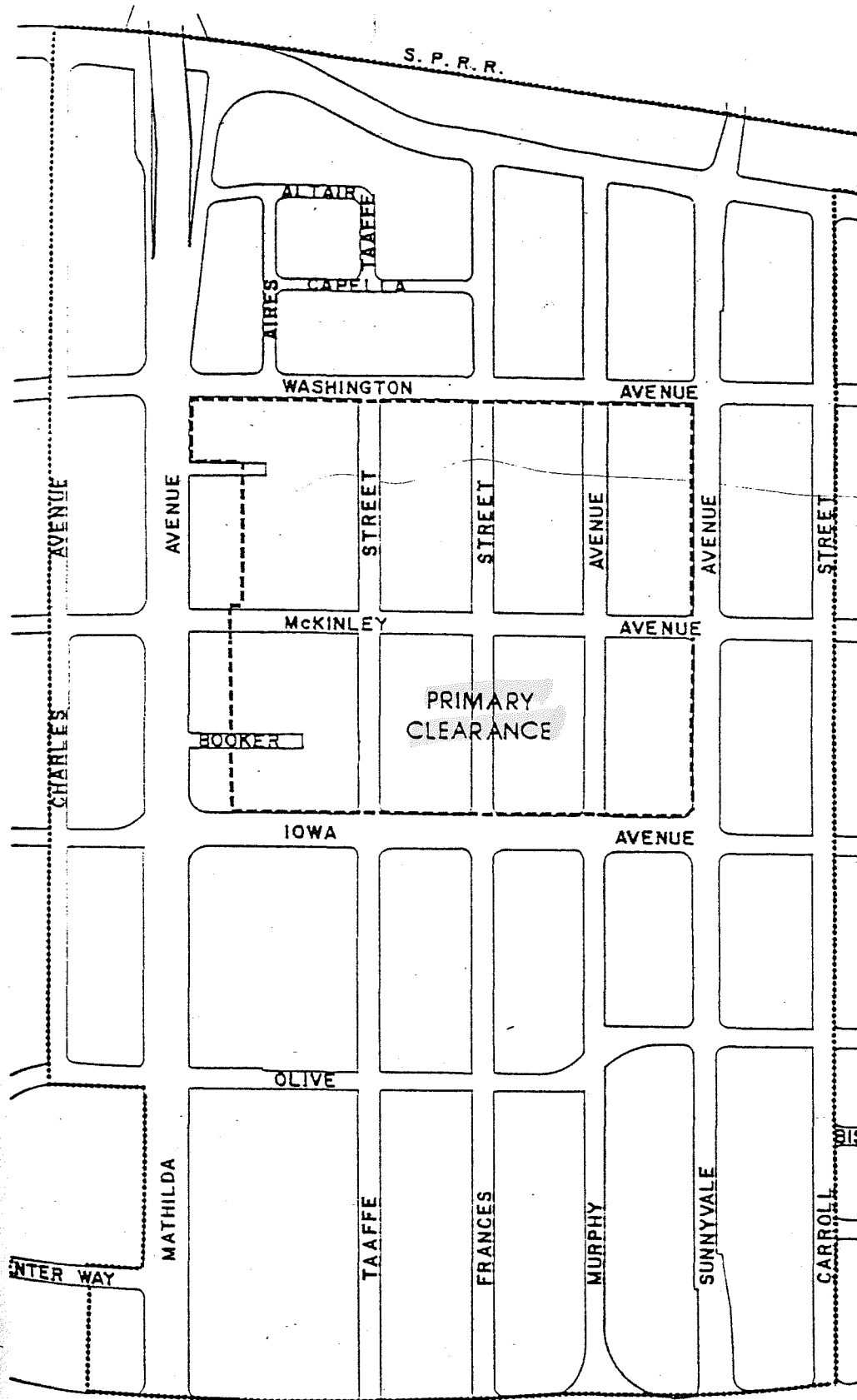
Planning Process

According to the Larry Smith study, the consultants foresee market support for an approximately 600,000 square feet

¹¹ Sunnyvale Downtown Redevelopment Project (An Environment Impact Report), pp. 5-7.



TOWNCENTER REDEVELOPMENT PROJECT AREA:
PARCEL MAP BEFORE THE PROJECT



TOWNCENTER REDEVELOPMENT PROJECT AREA MAP

— project boundary

shopping facility by 1980. Therefore, the Redevelopment Agency intentionally chose to aim above this figure in setting the scope of the redevelopment project which was based on the aforementioned study. The Hart, Krivatsy, and Stubee Consulting Firm was retained by the city to prepare an Environmental Impact Report of the proposed project area. It was asked to analyze all the impacts of the project on downtown Sunnyvale and to assess what would be imposed on the community in terms of economic and social concerns. Four possible development alternatives were prepared by Hart, Krivatsy, and Stubee:

A. Partial Redevelopment Alternative

This alternative recommended building on a substantial portion of Sunnyvale Plaza along Taaffe Street and converting it into an enclosed mall. It was suggested that the mall would be anchored by a new junior department store at the north end, adjacent to the Town and Country Village, and two larger department stores would be added on the opposite side to create a three-pronged shopping facility.

B. Continued Patchwork Rehabilitation Alternative

This alternative would not involve redevelopment of the site. Renewal would continue through rehabilitation guided by the Redevelopment Agency

and would be aimed at "salvaging" the downtown business environment which is in competition with surrounding shopping centers in Santa Clara County.

C. Maximum Feasible Development Alternative

This alternative, while certainly more ambitious than the partial redevelopment project, was by no means more risky or unrealistic, assuming that the project will be successful in achieving its environmental goals. The combination of a commercial and certain types of residential use of the site would be in agreement with the community's redevelopment objectives: it would further reinforce the core area, it would bring more life to the CBD and it would help to create an image of downtown Sunnyvale that is more urban than a shopping center.

D. No Project Alternative

This alternative would involve no further renewal action on the project site. Only the parking lots would be improved and landscaped to bring them up to the standard to which the residents of Sunnyvale have become accustomed and new street lights would be installed.

In commenting on the draft Environmental Impact Report, the Association of Bay Area Government (ABAG) staff, on November 16, 1975, suggested that in view of the questions raised regarding feasibility of the project, the two intermediate alternatives, Patchwork Rehabilitation and Partial Redevelopment, would deserve more attention. In contrast, the study of economic feasibility that Larry Smith & Company, Inc. prepared recommended that a new regional shopping center be built in the CBD. This would include two full-line department stores to capture its respective share of potential department store business clientele, and with the type of merchandise which could compete with existing outlying shopping centers.

Therefore, in order to provide the maximum retail facilities available to both developer and department store interests, the Redevelopment Agency tried to prove that Patchwork Rehabilitation in Sunnyvale, was not a viable course of action—that it would not attract the department stores that were regarded essential to the project. Thus, the Partial Redevelopment Alternative was considered by the Redevelopment Agency as the best alternative.

The draft Redevelopment Plan and the draft Environmental Impact Report were then submitted to the Planning Commission

for consideration. On October 20, 1975, at a public meeting, the Commission recommended the adoption of both. Another public hearing was held in mid-November 1975, and although strong objections to the Redevelopment Plan and the Environmental Impact Report came from local residents, both were still approved and adopted by the end of 1975.

The Redevelopment Agency invited two private developers to undertake the proposed project. The developers were Ernest W. Hahn (with Macy's, et al.) and John S. Griffith (with others). Each of them proposed a separate plan for a regional shopping center around three department stores.

The Redevelopment Agency finally selected Ernest W. Hahn, Inc. and Macy's California, as developers for the TownCenter Redevelopment Project, and entered into an agreement to negotiate exclusively with them. The Hahn organization is one of the largest shopping center developers in the nation. R. H. Macy & Company, Inc. is one of the country's largest retailing firms, operating 75 Macy's stores in 10 states, along with stores under other names, due to the good work experience and stronger financial support.

In August 1976, the TownCenter Project was presented to the city of Sunnyvale in the form of a proposal by the developer,

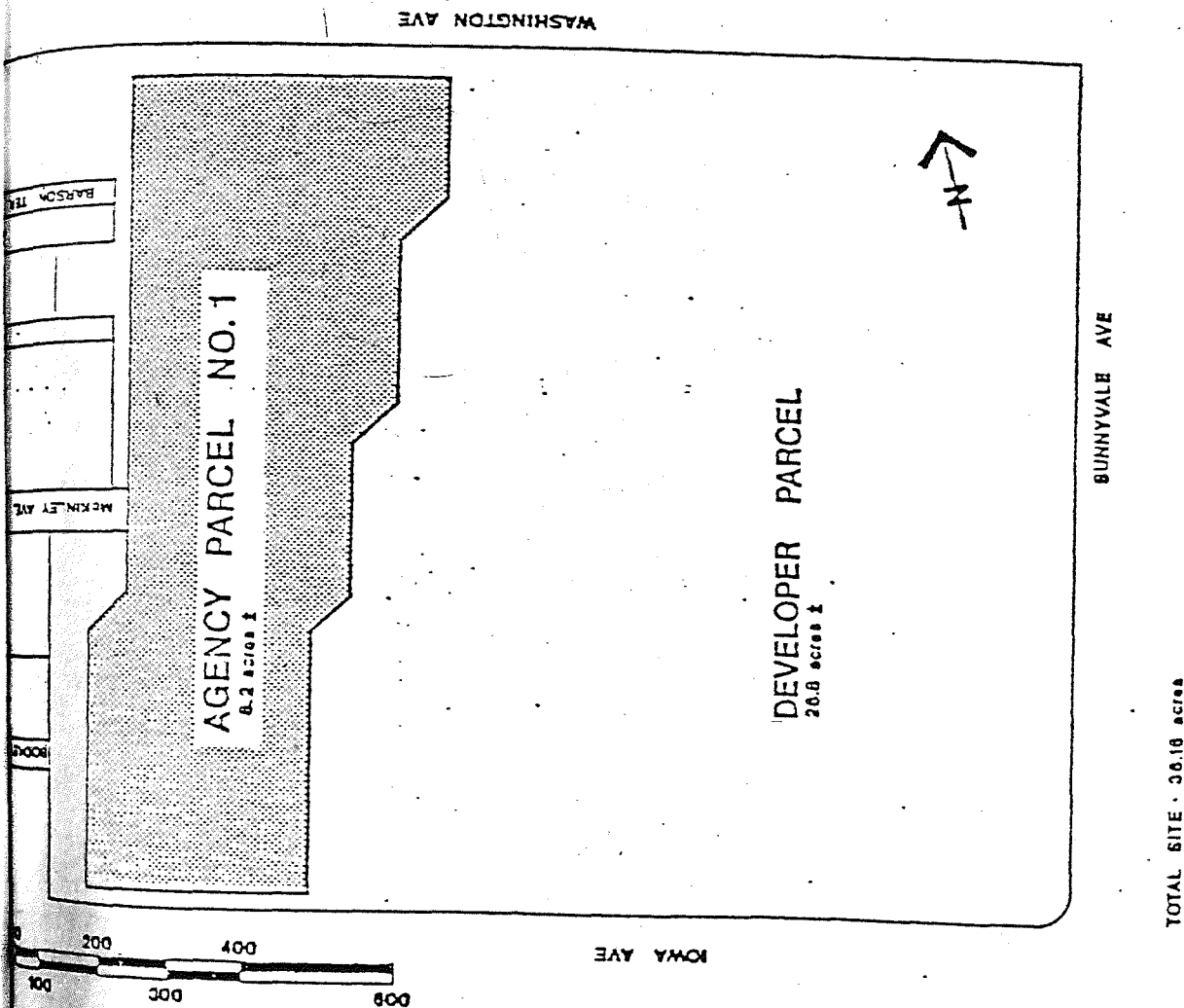
and the city agreed to undertake the project in October 1976. After the approval of the urban renewal bonds issue, the Sunnyvale TownCenter Associates offices were established to supervise execution of the project. The Association was developed by a partnership consisting of Ernest W. Hahn, Inc. and Sunnyvale TownCenter Properties Corporation (a wholly owned subsidiary of R. H. Macy & Company, Inc.) as general partners, and R. H. Macy & Company, Inc. as a limited partner.

Project Objective

The TownCenter Redevelopment Project was planned to set up a major retail shopping center and associated parking facility on the 34.5 acre primary clearance area of the Central Core Redevelopment Project. It intended to build a more profitable, more beautiful and more convenient type of regional shopping center in downtown Sunnyvale. The plan was to draw trade not merely from the city, but also from beyond its boundaries. This project required that the Sunnyvale Redevelopment Agency would purchase all land within the entire nine block area for the redevelopment and improvement into a contemporary regional shopping center, that was to include three major department stores connected by a two-level enclosed climate-controlled mall.

plan

The latest plan of Sunnyvale TownCenter Project encompasses approximately 780,000 square feet of building area on the 34.5 acre site. The site was divided into two parcels: the Redevelopment Agency Parcel and the Developer Parcel (see Figure 18). The Redevelopment Agency Parcel was then purchased for the development of a plan by the Agency for a two-level public parking structure. The Developer Parcel was acquired by the Redevelopment Agency and sold to the developer to be developed as a retail shopping center, as indicated under the terms of Disposition and Development Agreement between the developer and the agency, dated June 23, 1976. The developer agreed to build a regional shopping center of no less than 580,000 gross square feet, and the Agency agreed to construct no less than 3,395 parking spaces. Thus, the shopping center is a fully enclosed two-level mall planned for three department stores (Macy's, Ward's, and a third to be named, and at this time remains empty) and approximately 100 specialty shops (see Figure 19). The Macy's store was situated on the north of the mall, adjacent to the Town and Country Village; Montgomery Ward on the south end of the mall, and the smaller third department store assumes the middle position. This facilitates the development of a balanced merchandising and leasing plan, particularly since the mall stores



TOWNCENTER REDEVELOPMENT PROJECT
ACQUISITION SITE MAP



TOWNCENTER REDEVELOPMENT PROJECT AREA:

PROPOSED PLAN

connecting the three department stores are designed with leasing depths that were known to be desirable to more tenants. The area for the 100 tenant shops in the center is approximately 270,400 square feet and consists mainly of specialty and service shops. Included in this mall square footage is approximately 23,00 square feet for restaurants ranging from dinner houses to fast-food operations. The focal point and center of mall activity is the central court. This main gathering place of TownCenter is used for many different activities.

The shopping center has five parking spaces per 1,000 square feet of floor space. This supply is adequate to accommodate both shopper and employee parking needs during the peak shopping seasons as well as for other times.

Parking for this shopping center is provided on ground level as well as by a double-level deck structure. This two-level parking structure is built on the western side of the site on the Agency parcel between Mathilda Avenue and the mall.

Extensive landscaping along the streets and in the parking areas provides shade and beauty for the exterior. The low silhouette parking structure minimizes the surface parking and shields cars from view. To relieve the severity of

the structure, landscaping is introduced at the perimeter as well as at intervals within. Interior planting integrates with open-air, natural lit malls, which penetrate to the ground level. Access to the shopping center from the parking structure is provided by well-lit, landscaped walkways and pedestrian bridges. Changes in street patterns called for the elimination of portions of two north-south streets (Frances Avenue and Murphy Avenue) and one east-west street (McKinley Avenue).

Financial Method

Planning a project, buying land, clearing the land and preparing it for private development requires large sums of money. To supply its financial needs for the TownCenter Redevelopment Project, the Sunnyvale Redevelopment Agency relied primarily on money obtained by selling bonds at low interest to private investors. There were two bond funds, namely, the Sunnyvale Central Core Redevelopment Project Redevelopment Fund, called "Redevelopment Fund," and the Parking Acquisition and Construction Fund, called "Construction Fund." The Redevelopment Fund pertained to the "Developer Parcel," and the issuance of \$16,800,000 Central Redevelopment Project 1977 bonds. The Construction Fund pertained to the "Agency Parcel" and the issuance of \$11,200,000 Series A Parking Lease Revenue Bonds and

\$11,100,000 Series B Parking Lease Revenue Bonds. Such bonds were tax allocation bonds secured by the revenues generated from incremental assessed valuation within the project area and other pledged revenues. Proceeds from the sale of such bonds were used for acquisition of property for redevelopment, acquisition and relocation expenses, demolition costs, construction of public improvements and related administrative and financing expenses. Meanwhile, the \$11,200,000 of Series A Parking Lease Revenue Bonds being offered for sale were used to finance the acquisition of the site for public parking facilities on the Agency Parcel. The Series A Bonds were secured by a pledge of the rental revenues due to the Agency from the city under a lease of the parking project. The Series B Parking Lease Revenue Bonds, in the amount of \$11,100,000 were issued within the next 24 months to finance the completion of the parking facilities and to provide for retirement or refunding of certain Parking District Bonds issued by the city. The parking sites were leased to the city under the terms of a lease agreement dated May 1, 1977. The lease will terminate on April 30, 2076. The lease provides that the city pay the Agency annual preliminary rental, the actual amount to be an amount sufficient to cover the

Series A and B Bonds.¹²

Questions

The goals and objectives described will take many years to accomplish. Since the TownCenter project was adopted in 1976, it is still too early to predict and prejudge its effectiveness. Nevertheless, in approaching the study of the TownCenter Project, some serious questions have been raised in my mind.

I. Economic Aspects

The primary reason I selected and decided to study the TownCenter Project was dependent upon the report of Larry Smith & Company, Inc.'s "Downtown Economic Study" and Hart, Krivatsy & Stubee Consulting Firm's "Environmental Impact Report." According to both reports, the proposed Sunnyvale shopping center would compete with all the present shopping centers throughout the South Bay Area. However, I believe that both reports neglected several significant points concerning the economic impact of this new shopping center.

¹² Central Core Redevelopment Project 1977 Bonds & Series A Parking Lease Revenue Bonds (Financing Documents), Section I, pp. 1-13; Section II, pp. 1-11.

✓ First, when evaluating the retail impact for the proposed shopping center, neither report included four larger shopping centers which are also within the city boundary. It appears that only the Town and Country Village Shopping Center (65,000 square feet) was considered the major competitive shopping facility for the new shopping center.

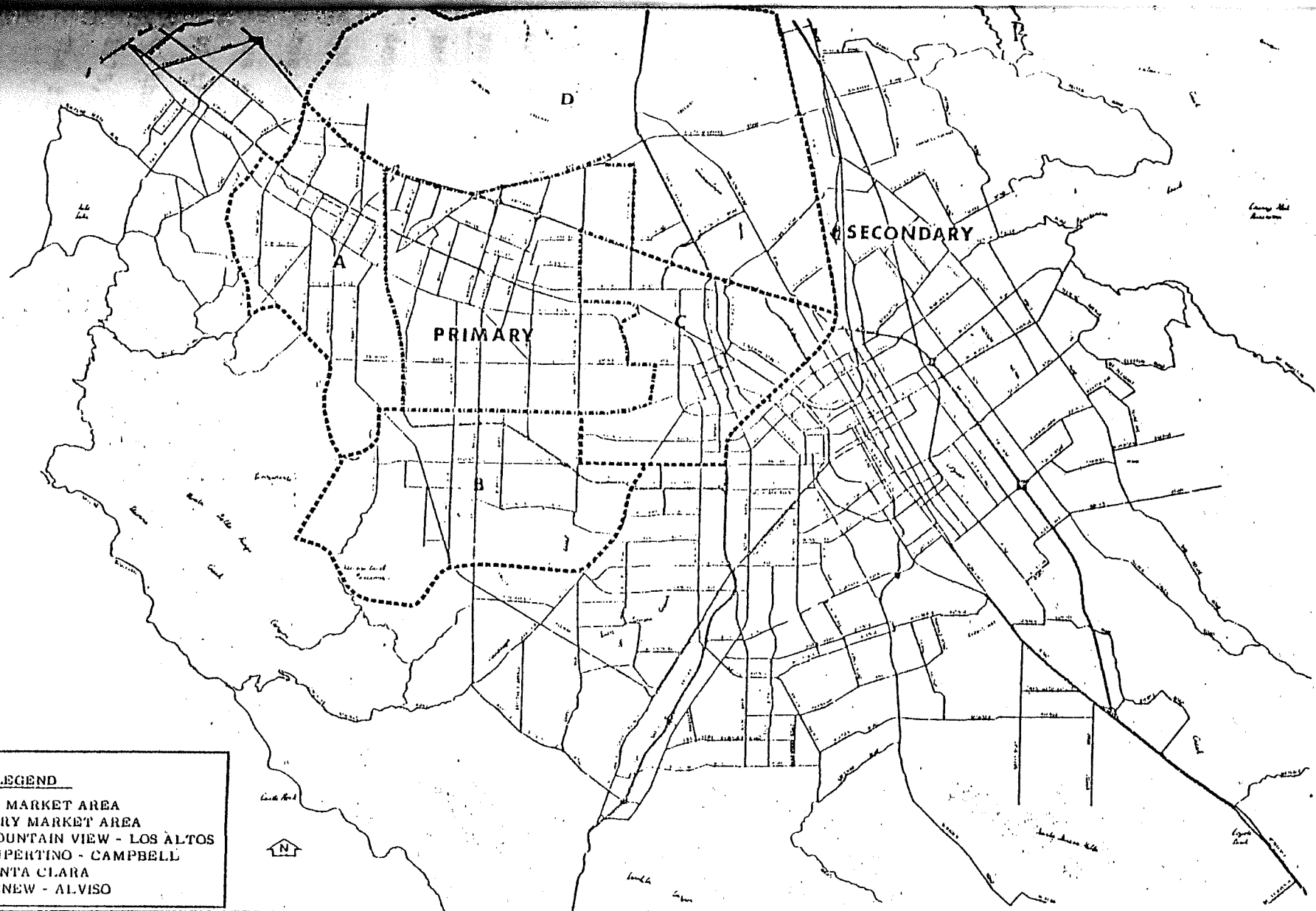
The others are:

Cherry Chase Center	128,139 sq. ft.
Pavlina Plaza	92,143 sq. ft.
Loehmann's Plaza	107,445 sq. ft.
La Hacienda Shopping Center	115,930 sq. ft.

✓ Secondly, several other proposed and under construction shopping facilities also were not accounted for, namely the Homestead Square Shopping Center, and such freestanding stores as the Treasury, and Gold Circle which are only half a mile away from the project site, and each with more than 100,000 square feet of shopping space. Again, the Environmental Impact Report failed to explore the economic impact on the currently expanding shopping center, Vallco Fashion Park in Cupertino, which has added 200,000 square feet of shopping space for J. C. Penney Company, Inc. This makes Vallco Fashion Park the second largest shopping center in the South Bay Area, and is only two-thirds of a mile away from the proposed site.

Thirdly, the new shopping center's existence can be credited largely to Larry Smith's economic feasibility study, which foresaw market support for an approximately 600,000 square feet retail shopping facility by 1980. Consequently, the city was probably motivated by a thirst for the highest possible profit from the project. Although the project was conceived before the other new shopping facilities were opened, the amount of competing shopping space has increased by more than 400,000 square feet. Obviously, then, the proposed new regional shopping center in Sunnyvale will face far more competition than was previously estimated.

Lastly, a great trading area was estimated by both studies for the new shopping center (see Figure 20). The secondary trade area, for example, included almost the whole Santa Clara County. These fringe areas have all the same types of stores as the new center, or very nearly so. Customers in all of Santa Clara may be lured to the Sunnyvale project by a greater selection of goods, better values, and by the comfort and convenience—inducements the new center offers now. In addition, the energy crisis that began in the early seventies is likely to get worse in the foreseeable future. Therefore, it is doubtful that all the people of this trading area will be able to afford to drive their



LEGEND

- PRIMARY MARKET AREA
- SECONDARY MARKET AREA
- A. MOUNTAIN VIEW - LOS ALTOS
- B. CUPERTINO - CAMPBELL
- C. SANTA CLARA
- D. AGNEW - ALVISO

TREAD AREA MAP of TOWNCENT PROJECT

ECONOMIC REPORT OF LARRY SMITH Co.

cars to the Sunnyvale shopping center, when they can shop at the nearest of the ten big regional shopping centers already in existence. Under these circumstances, I feel the estimate of economic potential was too optimistic. Moreover, the greatest economic risk would be paid for by the people of Sunnyvale in terms of high taxes. Therefore, looking at the economic aspects, was it wise to build a regional shopping center?

II. Lack of Citizen Participation

In the early seventies, the people of Sunnyvale seemed to agree that something should be done to improve the Sunnyvale downtown area. However, as the scope of the planned redevelopment was made known, the local citizens began to object strongly. Several memorandums which represented very strong opposition to the project were sent to the Redevelopment Agency and City Council by the local residents. In these memos, in addition to a lot of questions and propositions, an interesting point was exposed by the residents, concerning the entire Redevelopment Plan. This was that the plan was dominated by only two of the members of the Central Core Redevelopment Subcommittee. According to the opposition, it was shown that in the early days of 1975, an Economic Development and Housing Survey was taken. The findings show a major downtown redevelopment project

rated second highest in citizen opposition—only 9% favored such a project, and 22% opposed it.¹³ Yet, the Redevelopment Plan was still approved and adopted by the city on a later day of this same year. So, what forces moved the city to adopt this project? What were the reasons for the city to fail to make any effort to follow its majority recommendation?

III. Inadequate Access

In the past half century, more than a quarter of a million retail businesses have failed. Large numbers of new businesses have also started and failed as a result of poor location. In a big shopping center, which counts on drawing trade from a broad area, good accessibility becomes a crucial requirement in the selection of a site. A successful center must, of course, be easily accessible by road. Provision of adequate access as a prerequisite is an urban responsibility, which must precede any large scale improvement in the CBD. The most desirable site for a regional shopping center is usually one served by wide highways or arteries or reasonably accessible from a main highway. For the very ambitious and costly project to be

¹³ The Minutes of The Environment Impact Hearing, Downtown Redevelopment, November 15, 1975.

a full success, the best utilization of space must be assured, which can only be done if it is sufficient to assure a superior accessibility to the center. .But Sunnyvale's new regional shopping center project is not only too far away from two main highways (101 and 280), it is also a great distance from several expressways (Central Expressway, Lawrence Expressway and Foothill Expressway). In addition, it is on the back side of a major artery, Mathilda Avenue, which is probably the only main route to reach the project site city wide. In addition, there are only two lines of public transit that avail themselves to the center. Obviously, it will be even more difficult for the people when the project is completed. Consequently, it is the accessibility of the site rather than efficiency in accommodating the shoppers which should be of primary concern to the new center planners.

IV. Parking

In designing a big shopping center project one should always take into consideration the services that it can provide for the next one or two decades. Thus, it is necessary to consider the conditions of the environment in the future as well as the conditions existing today. In regard to future trends then, it is necessary to have a

full understanding of the problems of today and those we will face and have to resolve in the future. This is particularly important when using huge amounts of taxpayers money in the project's construction.

According to the project, about 30 million dollars have been spent to construct the parking facility for the new shopping center, and it will provide more than three thousand new parking spaces in downtown Sunnyvale. The developer of the project seems very proud that they will present more than the required space for parking, especially since this is a relatively large problem in most other centers in this area. When I studied this plan, I found they lacked taking into consideration some significant factors.

First, the thoughts of many developers in the last twenty years are that customers prefer driving to shopping areas, therefore, in big shopping centers it is preferable to provide large parking areas. Under current environmental conditions, and existing travel behaviors, it is difficult to discourage the use of automobiles in spite of the shopping center's convenient form of one-stop shopping.

But the recent socio-economic environment of driving to shopping centers has shown some change, some due to the recent fuel shortage. When the energy crisis becomes worse,

attempt to stimulate an improvement in the adjacent area. Besides the new center, two other sub-areas of my study are immediately adjacent to the north of the project site, and are also part of the retail core of downtown Sunnyvale. Therefore, the design of this center should have tried to link those two existing sub-areas. If some interconnection is established, the entire retail core will become more inviting and this should lead to an eventual increase in retail sales in both areas. Looking at the plan of Town-Center Regional Shopping Center, these two sub-areas are cut off from the project site by Washington Avenue, the barrier between the two. Today, the advantage of utilizing underground passageways and skyway bridges between major buildings in the CBD area is considered as a realistic approach by many city authorities and private developers. For example, John S. Griffith and Company, the developer who was not selected by the Sunnyvale TownCenter Project, was successful in doing the Central City Redevelopment Project for San Bernardino. He built a skyway bridge over the main street of the city to connect the new shopping center to the adjacent cultural center. It is evident from the above that successful redevelopment can be planned on a comprehensive scale and that the individual developments can be integrated with one another well through use of malls and pedestrian pathways. The question is,

therefore, why was it that the TownCenter Project management did not consider the possibility of establishing some interconnecting link to these sub-areas, rather than let each of them stand individually?

VI. SUNNYVALE CENTRAL CORE:

100 BLOCK OF MURPHY AVENUE (STAGE II)

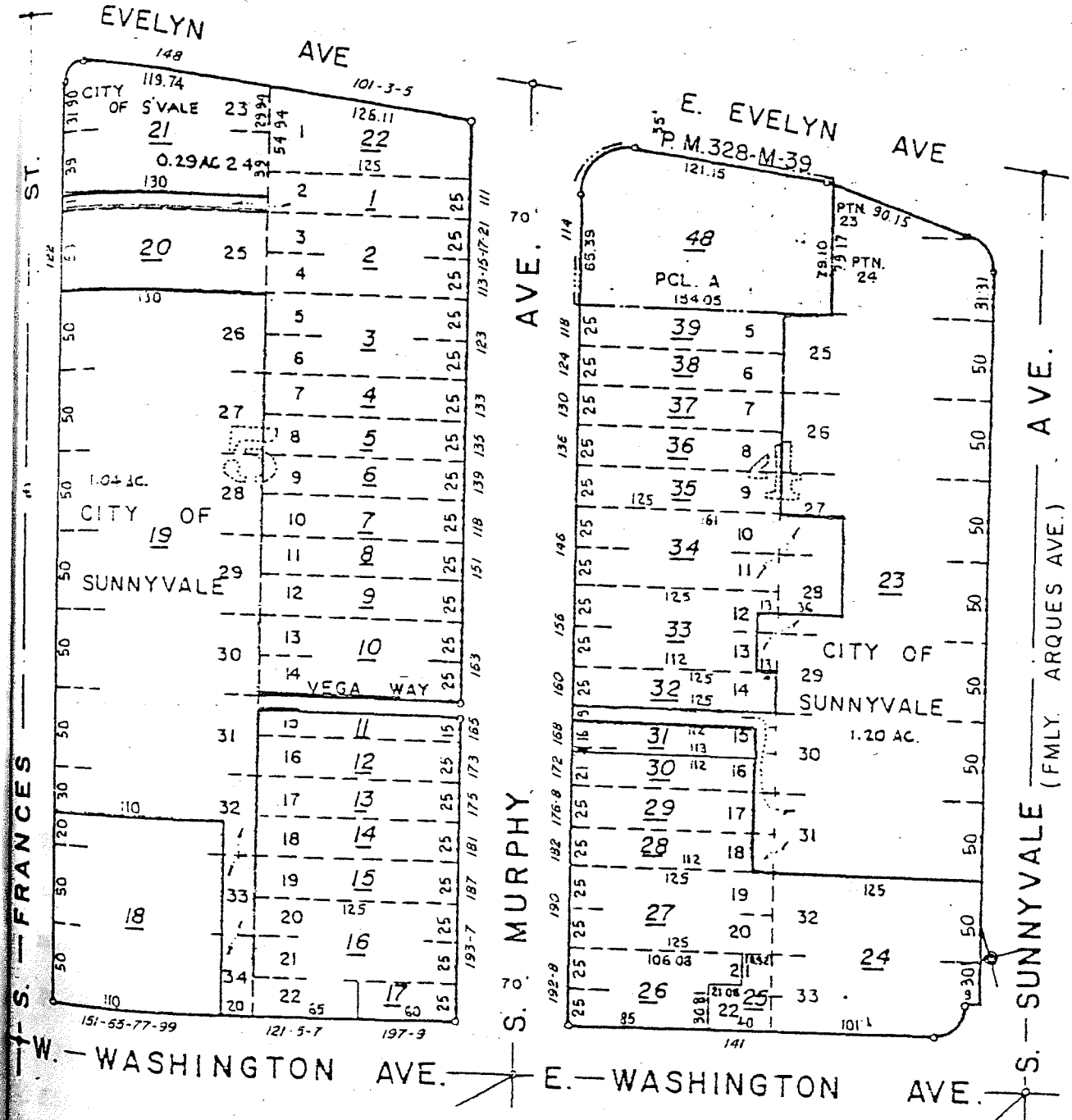
General Description

This area is the smallest sub-area of the study. It is comprised of only two blocks of land on both sides of Murphy Avenue, between Evelyn and Washington Avenues (see Figure 21). Compared with the other two sub-areas of study, this area reveals a different appearance and function.

This area is one of the original settlements of the city of Sunnyvale, and is also the city's historic downtown.

The traditional shopping street along Murphy Avenue has over seventy years of history in Sunnyvale. A number of buildings on this street date back to the early years of this century. The dominant land use of this area is commercial, although some housing exists in the area.

Many of the existing stores have been in this location for several generations and the merchants are anxious to continue their business here without interruption. These commercial blocks are laid out in perpendicular fashion to a historically important railroad, and clustered with local industry. Originally, the residential neighborhood was hugged in on the east, west and south, to the extent that



PARCEL MAP
OF
BLOCK 100 MURPHY

the opposite sides of these blocks backed up to the Murphy Avenue buildings that were originally filled by single family residences. Today, these adjoining lots have been cleared leaving Murphy Avenue somewhat isolated from its neighboring environment. However, the more recent pedestrian walkway, which dissects this block, represents an important public action aimed at connecting the block with the newer shopping area in this neighborhood (Town and Country Village).

Background

In the late fifties, this area also faced both functional and structural deterioration, because of the exterior appearance of the buildings and the general physical environment of the area. The participation in the purchasing power was not in proportion to the population growth of the city. After this, the area was taken off the Encina Urban Renewal Project in 1959, owing to the market support study and federal redevelopment law. Two proposed improvement studies were established by the City Council. In March of 1969, the City Council engaged the firm Ecko, Dean, Austin and Williams to prepare a design for the beautification and improvement of Murphy Avenue. Due to the high cost of this proposed project, it was decided not to proceed. Again in June 1973, the City

Council considered establishing an improvement assessment district for upgrading both sides of Murphy Avenue. Although the city was willing to proceed with the project, the property owners did not back up the project due to the excessive cost. During the sixties, the functions and uses of the surroundings changed. A number of retail and related commercial facilities relocated from the old Murphy Street shopping area to Sunnyvale Plaza, the Town and Country Village, or along Mathilda Street. Consequently, Murphy Avenue was not considered a competitive retail area for most Sunnyvale shoppers. Meanwhile, generally random conditions and the number of vacancies threatened the viability of the existing smaller retail outlets.

When the Central Core Redevelopment Project was approved and adopted in late 1976, this area was planned to be redeveloped for less intensive commercial use. Its primary emphasis was on offices, with some possibility of satellite and commercial service use. Unfortunately, this redevelopment was strongly opposed by several Sunnyvale historical interest preservation groups which wielded some influence before the Commission and the Council. These groups include the Sunnyvale Historical Society and Museum Association, the Murphy Avenue Preservation Group, as well as a number of individuals. These influential groups call

for preservation and will most probably remain constant since their number is increasing and they are becoming more vocal. However, as a result of their concerns the city hired two consulting firms in May 1979, to reevaluate the proposed redevelopment plan of this area. The first consultant, Economics Research Associates, prepared a market evaluation study. The second firm, Charles Hall Page and Associates, Inc., reviewed the building conditions and architectural resources of the area. When these studies are completed later this year, the city will make the final decision of how to develop the Murphy Avenue area.

Evolution of the Proposed Alternatives

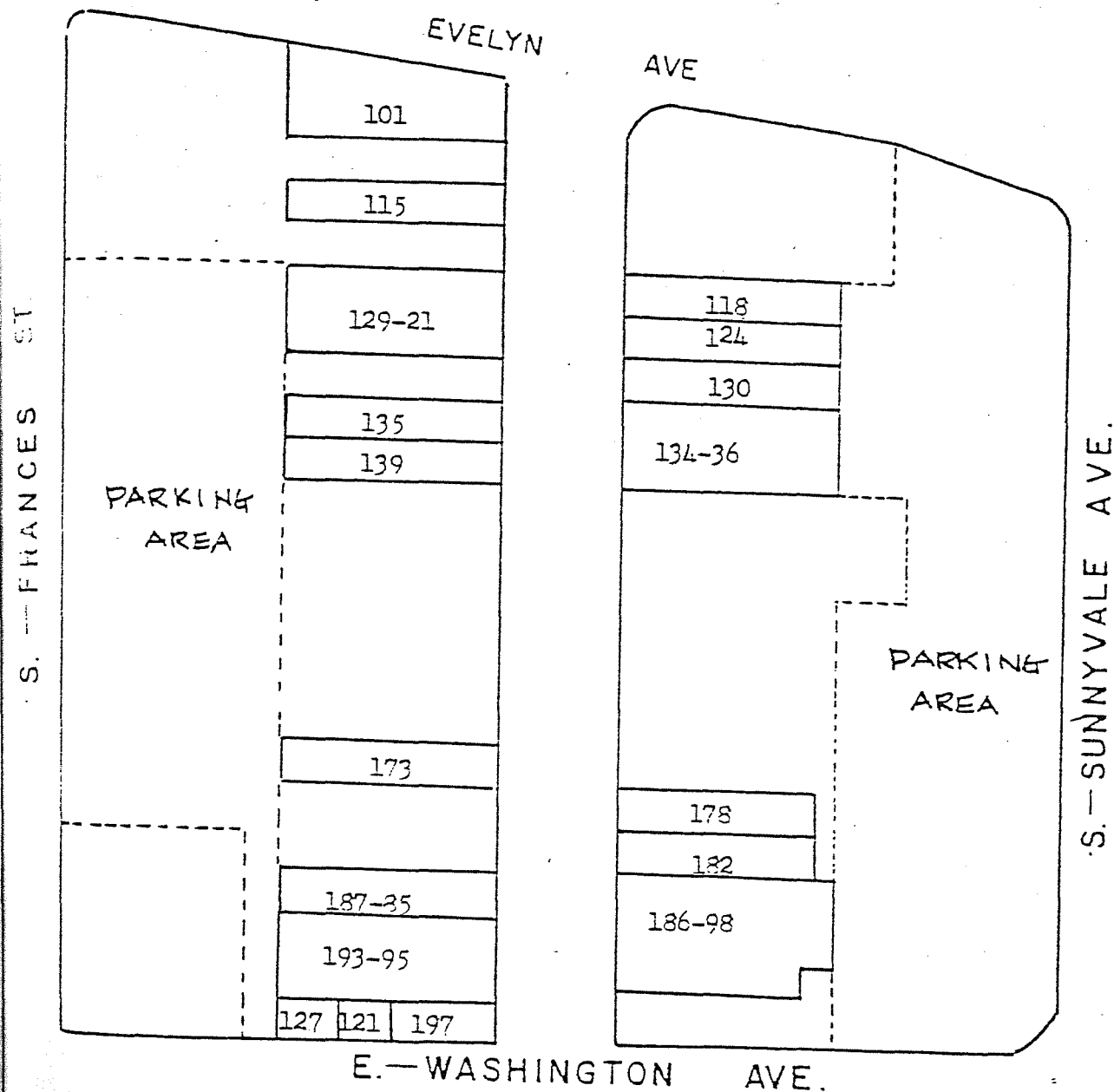
The current studies for the 100 block of Murphy Avenue have focused on three development alternatives: Heritage Preservation, Renovation, and Redevelopment. Although some drafting reports of the first phase of the study have been submitted to the Redevelopment Agency in the past month, it is still not complete at the present time, and the final development proposal is still not reached. In the following section I would like to evaluate these three alternatives.

A. Heritage Preservation

Mrs. Ann Hines, who is the leader of the Murphy

Avenue Preservation Group, presented a plan to preserve this area. According to her plan, the "Preservation Plan for Murphy Avenue," the existing buildings are to be restored, and the vacant sites are to be occupied with historically significant buildings moved from other areas. All buildings are to be restored to their original exterior conditions and the interiors renovated for contemporary use. In the view of Mrs. Hines and her group, it is felt that every city has its own characteristics, and that preservation is important in terms of urban growth. Further, they note that throughout the nation, all historic architecture in the urban scene has been subjected to a continuous process of deterioration and destruction. Therefore, historic preservation has begun to be considered a significant way to save the cultural heritage of Sunnyvale. Unfortunately, the clearance actions for the downtown area redevelopment projects have removed significant pieces of Sunnyvale's older city core during the past twenty years. These actions have left only the 100 block of Murphy Avenue intact in the downtown Sunnyvale area. The problems of Heritage

Preservation in this area are many. First, according to the study made by Mrs. Hines, 18 buildings within this area are worthy of preservation (see Figure 22). However, according to the report of the Architectural and Heritage Resource study, no great architectural buildings exist in the block. Therefore, do the 18 buildings pointed out by Mrs. Hines deserve preservation? As for the 15 other buildings and vacant lots in the area, the problem will be where to find suitable structures to fit those particular parcels. As I described before, almost all the valuable historical structures of this city were torn down in the past two decades. In terms of economy, the historical theme may limit retail shop variety. A historical theme tends to attract tourists who usually spend less than regular shoppers, and may complicate the traffic situation for the project area. Restoration is a very expensive and tedious process. Although limited funds and tax incentives are available, such time consuming cost factors may translate into inordinately high rents; rents that are economically constraining cost factors for the types of businesses which otherwise may be



E.—WASHINGTON AVE.

SITE PLAN MAP
of
18 HISTORIC BUILDINGS

proposed by

Mrs. Ann Hines "A PRESERVATION PLAN FOR MUPPHY AVE."

appropriate for restored buildings.

B. Renovation

Renovation or adaptive use secures a downtown asset that cannot be duplicated through new construction. The attractiveness, charm and human scale of older buildings is enhanced through careful, albeit not historically precise, rehabilitation. Capital costs are lower, and moreover, funding and tax incentives are also available for renovation. Consequently, from an investment perspective, renovation offers the visual benefits of preservation without the high cost; a particularly desirable option when structures are not of particular historical significance. Operationally, rehabilitation provides broader alternatives in the commercial activity considered appropriate; a market potential enhanced by the lower rent thresholds associated with rehabilitation costs. Several California communities such as Redlands, Santa Rosa and Pasadena, currently are undergoing downtown transitions similar to Sunnyvale. In each city, renovations for specialty retail activity are occurring near the development of regional shopping malls. Although it is premature

to assess the economic success of these specialty centers or of the entire downtown improvements, the general observation that can be drawn at this time is that the construction of regional shopping centers in downtown areas has stimulated adjacent property improvements through renovation and new construction.

C. Redevelopment

Unlike the preceding alternatives, redevelopment involves site acquisition, assembled demolition and preparation for effective and optimal redevelopment. According to the proposal of the Central Core Redevelopment Project, this two block area will be demolished and redeveloped for office and secondary commercial use. The study of Market Evaluation for the Murphy Avenue Development suggests that this area is a very attractive and desirable location for various types of office development, and that the office market potential for Murphy Avenue is a good opportunity at this time. Thus, the study strongly recommended the redevelopment of this area. Furthermore, new and upgraded office space often forms an important component of downtown revitalization programs. However, such

a proposal at this time is likely to be met with strong objections from different citizen groups, and will face the most serious problem of financial support. From the city's point of view, because of Proposition 13, the annual revenue is greatly reduced. Nevertheless, more than 30 million dollars of refunding bonds for the TownCenter Project also need to be paid back in the following decade; most particularly the 16 million bonds secured by the revenues generated from incremental assessed valuations within the TownCenter area. Therefore, I do not think the city will have enough money in the near future to redevelop this area. On the other hand, however, due to the small size of the area and the fragmentation of landowners, it will have difficulty attracting the interest of developers. Under these circumstances, without financial support, the proposed redevelopment plan for the 100 block of Murphy Avenue is likely to be canceled or be deferred to an unpredictable future.

Choosing between these three alternatives for Murphy Avenue raises a broader issue than any analysis alone can address.

But it will be resolved by the community from a general planning, physical and economic point of view, as well as by consideration of the political situation. My own view is that the only feasible alternative for future development of the 100 block of Murphy Avenue is the Renovation alternative, because it has to be considered as the best alternative and maybe the only one for developing this area at this time, due mainly to cost and citizen objections.

Chronology of Central Core Redevelopment Project

Nov. 19, 1957	Adoption of Resolution by City Council declaring need for Redevelopment Agency.
1964-1974	Various feasibility studies and reports on redevelopment within Sunnyvale.
July 14, 1975	Planning commission determines proposed project boundaries and approves preliminary redevelopment plan.
July 15, 1975	Preliminary plan presented to Redevelopment Agency: Agency approves boundaries for submission to tax assessor (Carroll Avenue on the east, Southern Pacific right-of-way on the north, El Camino on the south, and Charles Avenue on the west).
August 5, 1975	Hart, Krivatsy & Stubee consulting firm retained to prepare draft Environmental Impact Report.
Sept. 16, 1975	Agency accepted Draft Environmental Impact Report for the Central Business District Redevelopment Project.

Sept. 16, 1975	Call for proposals approved for agreement to negotiate exclusively for the Redevelopment Project.
Oct. 20, 1975	Draft Redevelopment Plan and draft Environmental Impact Report submitted to Planning Commission for consideration: Planning Commission considered plan and Environmental Impact Report at public meeting and recommended adoption of both.
Oct. 29, 1975	Notice sent to property owners and residents of Joint Agency and Council public hearing on Environmental Impact Report and Redevelopment Plan.
Nov. 18, 1975	Public hearing on Environmental Impact Report and Redevelopment plan.
Nov. 18, 1975	Draft Environmental Impact Report approved as final: Ordinance approving and adopting Redevelopment Plan introduced.
Dec. 26, 1975	Ordinance approving Redevelopment Plan becomes effective (30 days after adoption).
Feb. 17, 1976	Resolution approving retention of Financial Consultants (Stone and Youngberg).
June 22, 1976	Public hearings held on Disposition and Development Agreement and Financial Plan.
June 23, 1976	Disposition and Development Agreement between Agency and Sunnyvale Town-Center Associates executed.
Aug. 24, 1976	Design Concept Plans for Redevelopment Project were presented by the developer and Sept. 28 was set for a study session at the Community Center.
Oct. 5, 1976	Basic Concept Plans approved by Agency for TownCenter Project.

Oct. 5, 1976	Contract was approved with Burke Nicolais Archuleta to provide architectural services for the design of the parking structure.
Dec. 21, 1976	Contract was awarded to Dougherty and Castellanos for acquisition consulting services.
Dec. 21, 1976	Contract was awarded to Port and Flor Inc., for relocation consulting services.
Mar. 3, 1977	Resolutions authorizing tax allocation and Series A lease revenue bonds were approved.
Mar. 15, 1977	Ordinance approving Project Lease was adopted.
Mar. 29, 1977	First Implementation Agreement to Disposition and Development Agreement executed.
Apr. 19, 1977	Resolution adopted selling Redevelopment Agency Series A Parking Lease Revenue Bonds.
Apr. 19, 1977	Resolution adopted selling Redevelopment Agency Central Core Redevelopment Project 1977 Bonds.
May 3, 1977	Resolution adopted authorizing Executive Director to make offer for the purchase of real property, to accept deeds of real property, and to set up escrows.
May 3, 1977	Resolution adopted approving Relocation Guidelines and authorizing relocation payments.
May 3, 1977	Resolution authorizing Executive Director of Agency to approve appraisals and to make offers to acquire property.
Aug. 9, 1977	Orders for possession obtained.

Aug. 16, 1977	Date set for approval of preliminary construction drawings - September 13, 1977.
Sept. 13, 1977	Dates were set for review of preliminary construction plans for Town-Center Project. Four separate reviews were set: (1) landscaping plans; (2) Parking structure elevations; (3) Exterior mall elevations; (4) Interior mall plans and elevations.
Sept. 27, 1977	Clifford Moles Associates retained for reviewing the TownCenter Plans for the Redevelopment Agency.
Nov. 11, 1977	Resolution adopted setting time and place for public hearing to review the Redevelopment Plan (biannual review required by State law).
Dec. 20, 1977	Preliminary construction plans were approved for the parking structure and mall.
Jan. 17, 1978	Award of contract for demolition of buildings in Phases I and II.
Jan. 24, 1978	Award of contract for demolition of buildings in Phases IV and V.
Jan. 31, 1978	Award of contract for demolition of buildings in Phases VI and VII.
Feb. 7, 1978	Award of contract for demolition of buildings in Phase VIII.
Feb. 28, 1978	Preliminary construction plans for Macy's were approved.
Feb. 28, 1978	Expansion of Macy's store and modification of required parking ratio was approved. Also, approval of third department store.
Feb. 28, 1978	Approval of final construction drawings for the mall building.

Mar. 14, 1978	Contract work for demolition of buildings in Phases II, III, V, and VII was accepted.
Mar. 21, 1978	Second Implementation Agreement to the Disposition and Development Agreement was approved.
Mar. 21, 1978	Contract work for demolition of buildings in Phases VI and VIII was accepted.
Mar. 21, 1978	Sublease for parking facilities between City of Sunnyvale and TownCenter Associates was approved.
Mar. 21, 1978	Resolution authorizing Series B Lease Revenue Bonds.
Apr. 11, 1978	Resolution selling \$11,100,000 principal amount Series B Parking Lease Revenue Bonds.
Apr. 18, 1978	Retention of professional services of consulting firms in connection with eminent domain actions: (1) Timothy F. Wellings, Jr., C.P.A.; (2) D. R. Clark and Company, Market Valuation Consultants; (3) Les Saylor, Inc., Consulting Cost Engineers; (4) Kirk Knight and Company, Inc., Management Consultants.
May 2, 1978	Resolution accepting as complete work for Project "A" Sunnyvale Avenue Sanitary Sewer, Washington to Evelyn, and Project "B" Frances Street Water Main, Washington to Evelyn.
June 13, 1978	Completion of contract work for removal of street improvements, grading, excavation and recompaction.
July 25, 1978	Approval of plans and elevations for Montgomery Ward's Store.

July 25, 1978

Approval of exhibits to Reciprocal Easement Agreement, parcel map and other items.

Aug. 1, 1978

Award of contract for site work and parking structure to Carl N. Swenson Company.

SOURCE: Mr. Gordon Miller, Director of The Redevelopment Agency of the City of Sunnyvale.

VII. CONCLUSION

When the downtown area has suffered a serious decline on both economic and physical levels, revitalizing the downtown is considered absolutely necessary. From lessons drawn from the study of downtown redevelopment in the city of Sunnyvale, the interpretation seems to be that building a brand new shopping center could be thought of as the optimum way to save the downtown from further deterioration.

- This is because most developers believe that economic viability is the only response for the downtown area, since the outlying shopping centers have been the most important cause of the downtown's economic deterioration. But, we might ask, have the outlying centers drawn customers away from the downtown area by providing better products and services or is it that the downtown area has driven away its own customers by providing shoddy services and products? Although this problem still cannot be clearly identified, it seems to me that it cannot be so confidently said that the use of the shopping center concept will rescue the declining downtown without regard to some other themes. There is no doubt that the large size and more complete spectrum of commercial attractions of a big shopping center

will improve the economic situation in Sunnyvale. However, the real cost to the city of such a shopping center cannot yet be calculated, because the project cost is not the only direct and visible expense, there will probably be many others as well. It is possible that other costs will have to be expended later by the city to overcome any number of invisible negative outcomes of the project. In my view the question is whether it really is economically sound to construct a new shopping center as the only possible solution for the revitalization of a declining downtown?

■ The history of urban development shows that the downtown has always been the integral center for a society of individuals integrated among themselves in their community life. It is the place to which people want to go for social and cultural activities as well as for shopping. The downtown is something more than a machine for collective activity and should express in appropriate architectural forms the character of its traditions and aspirations of the people whom it has to serve. It is not merely the center of the city, but it is the center of life of the city. Unfortunately, at the time in which we now live, the downtowns of many cities have lacked such aspects. A number of analytical studies of urban development have

shown that the relatively recent decay and blight and disintegration of what was once the heart of the city—the downtown—is not an indication of only the decline of economic functions. It is also an indication of the loss of the many significant characteristics of downtown living in recent years. These latter characteristics were and are the main forces which have supported downtown life over thousands of years. In general, revitalization should be that which replaces the old gradually. To conserve, to reestablish, to redevelop, or to enliven the downtown are different approaches and involve varying circumstances. One must approach the subject from the social, economic, aesthetic, technical and psychological point of view. It is a fact that building a shopping center can restore some of the economic function of a deteriorating downtown, and as a result of such an approach, the economy will benefit. However, this approach disregards the "human factor." No shopping center can replace the old downtown without consideration of such factors.

A redevelopment plan should be flexible and facilitate change for the better, so that the downtowns of today may develop normally into those of tomorrow. The study area of the report constitutes a major portion of the heart, economically and spatially, of the Sunnyvale central

business district. With the experience gained from the process of revitalizing its downtown, the city has had the opportunity to establish an improved downtown through the redevelopment project, but the entire concept of downtown redevelopment in Sunnyvale is based on the idea of bringing the shopping center concept to the central business district. The shopping center is a new retail shopping concept of the second half of the twentieth century. It is still in the stages of dynamic growth and transition. Although these prototypes offer several new alternatives, no one can foretell how things will be in the future.

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